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Granting the Dewani to the Company (1765)

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1903

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LEDGER AND SWORD

OR

The Honourable Company of Merchants of England Trading to the East Indies

(1599-1874)

BY

BECKLES WILLSON

WITH FRONTISPIECE IN PHOTOGRAVURE BY MAURICE GREIFFENHAGEN, AND OTHER ILLUSTRATIONS

IN TWO VOLUMES

VOL. II.

LONGMANS, GREEN, AND CO.
39 PATERNOSTER ROW, LONDON
NEW YORK AND BOMBAY
1903

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CHAPTER I.

The Welding of the Two Companies.

THE Company had dexterously gained its ends. For the moment the Company's promise to the King was overlooked, and all movement towards a union with its rival of Dowgate rested in abeyance. On the very day following the Royal Sanction to the Act of 1700, prolonging their corporate existence, the directors wrote to Fort St. George that the bill "secured their foundation," as they were established by an Act of Parliament; that they would exert a new vigour now that they were delivered from all embarrassments and could "call their estate their own". It was triumphantly added "that the Company's stock, which had fallen as low as 70 per cent., had now risen to 140 and was rising".

It is to be borne in mind that the rivalry of the two bodies did not represent all the domestic competition in the Indian trade. There were still those proprietors of the General Society (with a capital of some £20,000) who had refrained from joining the New Company, but were protected by its licence. But the New Company adventurers, having got their charter, plainly intimated to all private traders that if any should attempt trading within their chartered limits minus a licence his ship or ships would

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be seized and himself treated as an interloper. Thus they adopted the historic policy of their predecessors, the Old Company.

A large fleet of ships, loaded with bullion and merchandise, was in the spring of 1700 sent out by the Old Company to India. The instructions to its factors breathe a spirit of jubilation and defiance mingled with a proper measure of the old prudence. Recognising the fact that Sir William Norris, although paid by the New Company, had been sent out as the King's ambassador, the Company directed that "every willingness to show respect to the Mogul might be manifested," but, on the other hand, "opposition made to the arbitrary exactions of the local officers," *i.e.*, "delays in complying with their demands, and endeavours to conciliate them by presents, which, it was hoped, would be a more effectual means than the employment of force". Bribery was at least safe enough in India. Nevertheless, it were as well to strengthen the fortifications here and there, and some "long guns" were sent out for this purpose, "that by the range of the shot the insurgents in future might be prevented from approaching too near the place".

A new Presidency was at this time established at Calcutta, the fort, in compliment to His Majesty, to be called henceforward Fort William.

The instructions to the "General" or Governor-in-chief, Sir John Gayer, at Bombay, explained that the Company's reason for appointing Thomas Pitt for one year to independent power at Fort St. George was "that the state of affairs at the Presi-

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dency required a person of a decided character to prevent those quarrels which had continued by appeals being left open to the General". Indeed the rivalry between the new and the old traders was here, as elsewhere, very bitter at this time. Although at home overtures were being made for an amalgamation of interests between Dowgate and Leadenhall Street, in the East we can discern but little indication of approaching harmony.

The New Company, when it received its charter, had actually cherished hopes of getting possession of Bombay and St. Helena, which the Old Company held in fee simple. Nay, it was even hoped that the innovation of King's consulships would entitle its servants to rank above all and any of the English residents in the East. In this the Dowgate merchants were speedily undeceived; they found all their pretensions rejected as illegal soon after the Old Company obtained the boon from Parliament and the King of prolonged corporate life.

So persistently and volubly had the New Company insisted on superior powers and privileges that the Old had proposed to raise up a Roland as an effectual offset to the Dowgate Oliver; in other words, to send out the able Dr. Charles Davenant, M.P., to attempt the removal of impressions in India unfavourable to its character. But it was soon seen by the reports from the East how unnecessary it was to make any particular exertion to checkmate Sir William Norris; that task was being so successfully performed by Norris himself, aided by his misguided friends.

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In India generally at this juncture the trade of any European nation needed all its strength in servants and capital to be successful. For the Mogul Empire was growing weaker daily: its minions more tyrannous. The conduct of the governor of Surat was reprehensible. He utterly refused to pay the sum promised for the Company's armed convoy to the native Mocha fleet, and as the months rolled by and no English ships arrived to clear the Indian seas of European pirates, he conceived himself to have been tricked, snarling publicly at the Company's men. They were, in his opinion, "as despicable as the Portuguese in India and as odious as the Jews in Spain". He obtained an imperial mandate obliging the Europeans at Surat to furnish security for all damage done by the pirates. Whereat the Dutch prudently struck their flag and retired from their factory to Batavia. It had been better had the English done likewise; for the obnoxious official dying just then, he was succeeded by another who, having sustained a loss of two lakhs of rupees in one of Captain Kidd's piracies, was determined to hold the Company accountable. While the new governor was considering the best manner of extorting restitution, an interloper arrived at Surat with news that the Company had been dissolved by the English King "for committing piracies in India". This was enough for the Mogul functionary; he gave instant orders for President Colt and his Council to be confined in their factory, the local merchants were flogged until they revealed what bullion they had received from the Company, and measures

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were taken to confiscate the whole of the Company's property.

In the midst of these proceedings Sir Nicholas Waite, the New Company's President for Surat, arrived off Bombay. Finding all pompous demands for supremacy by virtue of his consulship flouted by Sir John Gayer, he sailed for Surat. Here, after some parleying, he landed two ship captains and forty men, and hauled down the Old Company's flag. Such an act of violence had an opposite effect to that intended: it was resented by the governor as an insult to the Mogul; the flag was ordered to be rehoisted, and thereupon Waite and Colt plunged into a lively warfare of words and recriminations, in which the latter was supported by his chief at Bombay, Sir John Gayer.

Gayer, ever a brave man, resolved to go to Surat in person to settle matters between the rival adventurers. But before he could set foot in the town Mogul officers at Swally seized him and Lady Gayer, carried them into Surat and incarcerated them with Colt and the other servants in the Company's factory. Here they were destined to remain, not months, but years, to abide Waite's insolence, to wait patiently for the tide of fortune to turn, not unprepared for further indignities, and even for a cruel death.

Elsewhere the same contest for supremacy was waged. Like Waite, John Pitt at Masulipatam and Littleton in Bengal claimed that their rank of King's consul gave them precedence and authority over all the English in India. The Old Company's men held that even if such royal authority came into

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effect at all, it could not possibly come into effect before Michaelmas, 1701. In the meantime they derided their opponents' "bugbear powers". "You may," wrote Thomas Pitt to his namesake of the New Company at Madras, "lock up your consul's commission till my masters' time has expired."

In Bengal Sir Edward Littleton's attempts to browbeat the loyal John Beard were occasionally entertaining, but never very effectual. He told the Company's servants that their Old Company was as good as a dead Company, all sovereignty and political authority having passed from it to his redoubtable masters in Dowgate. "Nothing more remains to you of that nature," he wrote, "than what properly belongs to masters or heads of families, being purely œconomical." This was a favourite term with the pompous and shallow-pated Littleton, who had probably picked it up from his prodigious brother, Sir John Littleton, then Speaker of the House of Commons. Once, in one of his portentous epistles, he spelt it "oecumenical," which doubtless meant to him as much as the other, whereupon Beard gravely set him right—"a task easier," he added, dryly, "as to words than as to matters".

In brief, if the Dowgate men expected to step at once into the shoes of their rivals in India, they committed a profound error and met with a perpetual disappointment. The local rajahs and governors, the local merchants and middlemen, were almost universally on the side of the Old Company. Littleton's threats to prosecute Beard for treason only provoked the latter's smile; when John Pitt flaunted

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his powers and authority in Thomas Pitt's face he was good-humouredly told to go and study that fable of Æsop which exhibited the danger of new-found pride and much boasting. "There shall be but one Governor when I am here. . . . When the Moors have hanged and stripped you of what you have, upon your submission and begging pardon for what you have done, I may chance to protect you."

In the meantime the Ambassador of the King and the New Company, Sir William Norris, who conceived himself to be the historic successor of Sir Thomas Roe, had landed at Masulipatam. His landing took place on 25th September, 1699, exactly eighty-four years since the famous Jacobean pioneer and emissary had set foot on the shores of India at Surat.

Any pleasant augury, however, which might have been drawn from the circumstance was more than neutralised by the unfortunate choice of Masulipatam instead of Surat as a landing place. The entire breadth of the Deccan lay between this part of the peninsula and that wherein the aged Aurangzeb was, in person, conducting a fierce campaign of carnage and flame against the Mahrattas. To penetrate nearly a thousand miles into so turbulent a territory as the Deccan then was might well have given pause to even the genius of a Clive at the head of a strong army. Yet Norris, filled with conceit and vainglory, was quite ready to set forth complacently on his foolhardy mission, confident that all difficulties "would vanish like clouds before the

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sun when I come to make my appearance". He only waited for an escort and supplies from the boastful John Pitt, and, in the meantime, lingered at Masulipatam.

Weeks grew into months; neither supplies nor escort came; he consumed the New Company's substance in idleness and luxury, and then came urgent letters from Sir Nicholas Waite at Surat, pointing out to Norris his grievous blunder in yielding to Pitt's representations and condemning the latter unreservedly. The King's ambassador finally resolved to repair to Surat, but nearly a year passed before he could get a ship, and, not until 10th December did he finally land at Swally. Here he insisted on a triumphal entry—he had always boasted that he would travel "in a greater state than ever any European Ambassador yet appeared in India"—and this insistence cost him bagfuls of mohurs in bribes to the native authorities. But, at length, after six weeks at Surat, Norris set forth gloriously for Panalla, many hundred miles away. In his train were sixty Europeans and 300 natives, the latter bearing costly presents, including the brass artillery we have already heard of, as a present to the Mogul from the merchant adventurers in Dowgate. It is needless to describe the slow and painful course along vile roads of this egregious embassy. Norris would on no occasion abate anything of his ambassadorial pomp and dignity; he refused an audience with the Imperial Grand Vizier, whom he met on the way, because he was not permitted to approach with beating drums and sounding

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trumpets. Norris found Aurangzeb and his army drawn up before the Mahratta stronghold of Panalla.[1]

[1] The order of the procession, on the 28th April, 1701, deserves to be given as an example of English Ambassadorial state in India in the hundredth year of the East India Company's existence. It was as follows :—

Mr. Cristor, Commander of his Excellency's artillery on horseback.

Twelve carts, wherein were carried the twelve brass guns for presents.

Five hackeries, with the cloth etc. for presents.

One hundred cohurs and messures, carrying the glass-ware and looking-glasses, for presents.

Two fine Arabian horses, richly caparisoned, for presents.

Two ditto without caparisons, for presents.

Four English soldiers, on horseback, guarding the presents.

The Union flag.

The Red White and Blue flags.

Seven state horses, richly caparisoned, two with English furniture and five with Indian.

The King's and his Excellency's crests.

One state palanquin, with English furniture, of silver tissue brocaded.

Two other crests.

The music, with rich liveries on horseback.

Mr. Basset, Lieutenant of his Excellency's Foot-guards on horseback.

Ten servants, in rich liveries on horseback.

The King's and my Lord's Arms.

One kettledrum in livery on horseback.

Three trumpetts in liveries on horseback.

Captain Symons, Commander of his Excellency's guard.

Twelve troopers every way armed and accoutred after the English mode.

Mr. Beverly, Lieutenant of his Excellency's Horse-guards.

The King's and my Lord's Arms richly gilt and very large; the first being borne by sixteen men.

Mr. John Mill and Mr. Whittaker on horseback, in rich lace coats.

Mr. Hale, Master of the Horse, richly drest, carrying the Sword of State, pointed up.

His Excellency in a rich palanquin, Indian embroidered furniture.

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The Emperor, engrossed in war, was little disposed for negotiations of this character, but, perhaps edified by the spectacle and the gifts, he unbent sufficiently to hear what the envoy of the English merchants had to say. By-and-bye his concessions resolved themselves into firmans for trade in the three "Presidencies," provided that piracies in the Western Seas were suppressed. Sir Nicholas Waite had, indeed, already offered to perform this suppression, but in ignorance of the magnitude of such a task. It was one which might well have sufficed for all three of the trading powers, Dutch, French and English; but to shift the entire burden on to the New Company alone was pure madness. Norris was obliged to decline the stipulation. In vain he offered a lakh of rupees in its stead; Aurangzeb continued firm. Just at that juncture, a rumour, industriously spread by the Old Company's servants, came into camp, that the English Parliament intended to continue the Old Company's rights and privileges. A little later the rumour was confirmed, and Norris was dumfounded. "The laboured explanations of the baffled Ambassador must have seemed to the Mogul officers the shufflings of a detected pretender," and poor Norris must have recognised in this last stroke of fate the death-knell of any yet

Four pages, two on each side of his Excellency's palanquin richly drest.

Edward Norris Esq., Secretary to the Embassy, in a rich palanquin, carrying His Majesty's letter to the Emperor, on each side, Mr. Wingate and Mr. Shettleworth, in rich laced coats on horseback.

Mr. Harlewyn, Treasurer, wearing a gold key } in a coach.
Mr. Adiel Mill, Secretary to his Excellency }

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lingering hope of success.[1] Aurangzeb told the haughty Norris he had an alternative: he "knew the same way back to England that he came". In high dudgeon, the Ambassador instantly took the hint, and after an exciting detention by the Grand Vizier at Burhanpur, got back humiliated and despondent to Surat on 12th March, 1702. The embassy had been a miserable failure, partly owing to Sir William Norris's temper and ignorance of the Oriental character, partly through his repudiation of advice, and partly also to the inherent difficulties of the mission.

Waite did not long restrain his indignant taunts. The money squandered uselessly had been enormous —between six and seven hundred thousand rupees. Norris had scarcely strength or spirit enough left to reply to the animadversions of the Surat President; his heart was broken, and his one desire was to get back to England. Yet even this was not easily arranged; there were no ships available; and when a private trader's ship was found his return was destined not to be. Norris died before the *Scipio* reached St. Helena, 10th October, 1702, his pen busy to the last with an exhaustive defence of his luckless mission.

The fruits of Waite's ill-considered offer to exterminate the pirates were now to show themselves in every part of India. Thomas Pitt at Madras had to sustain a three months' siege against the Nawab of the Carnatic; Gayer and his Council continued

[1] P. E. Roberts, Hunter's *British India*.

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prisoners at Surat. As for the governor of Fort St. George he was resolved to stand on the defensive, and to stake all on the hope of the invulnerability of his fort. Thus boldly did Pitt write to the threatening Nawab Daud Khan :—

"Your Excellency said to the Moollah that you care not to fight us, but are resolved if possible to starve us by stopping all provisions. We can put no other construction on this than declaring a war with all European nations, and accordingly we shall act."

Again, after he had placed all in a position of defence, Pitt wrote boldly to the Nawab :—

"We have lived in this country nearly one hundred years and never had any ill designs nor can your Excellency or any one else charge us with any; and it is very hard that such unreasonable orders should be issued out against us only, when they relate to all Europeans, none excepted as I can perceive, and whether it be for the good of your kingdom to put such orders in execution, your Excellency is the best judge.

"We are upon the defensive part and so shall continue, remembering the unspeakable damages you have not only done us in our estates, but also in our reputation, which is far more valuable to us, and will be most resented by the King of our nation."

The upshot of the siege was the payment of 18,000 rupees by the Company's Governor, the retirement of the hostile native force, and a grant of liberty to trade, copies of which "perwannas" were "directed to all Foujdars, Killadars, Corrodees,

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Deshais, Destramokys, Poligars and inhabitants of all places whereto they trade, to be carried by our Chobdars ".[1]

As far as Bengal was concerned, Littleton himself confessed that the stock of the Old Company there exceeded that of the New in the proportion of five to two, while the difference in the equipments bore a still greater proportion, the first having five ships whilst its rival had only one.

The only touch of sunshine which lightened the Company's horizon came from Persia. The firman granted by Shah Husein, amongst its various provisions for commercial intercourse between English and Persians, declared that the former need not be at the pains of abjuring their religion, "it being God's business to turn men's hearts," a remarkable instance of religious toleration and enlightened common-sense two centuries ago, were it even in Europe and in King William's reign.

For these favours the Company was not ungrateful, and accordingly we find it sending the Shah a valuable present as a mark of its gratitude, consisting of optical glasses of all descriptions and a collection of costly sword-blades. At the same time a regret was expressed in Leadenhall Street that the right of exporting raw silk had not been demanded. For raw silk was the only sort which could now enter English ports, owing to the successful agitation of the English silk weavers.

In the following year we find agent Owen (whose

[1] Wheeler, *Early Records*.

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jealousy of his fellow-servant Bruce of Ispahan figures constantly in his correspondence) suggesting to the directors that if in future it should become necessary for the Company to employ force for the preservation of its privileges and trade in Persia, it would be expedient to take possession of the island of Barrein near Bussorah, "a station which would not only afford a proportion of Persian produce but enable the Company's cruisers to overawe the trade".

But both Persian agents at present had little cause for complaint, except that they were weary of dealing in looking-glasses and woollen cloths—the only vendible articles in the Persian market—and that they had been obliged to bestow fifty tomands as a gift to the Shahbunder in return for his making restitution of nearly 1,000 tomands.

The competition of the Dutch had frustrated most of the benefits expected under the new firmans, and affairs were gradually growing more unfavourable when an unexpected visit by the Shah of Persia to the Company's factory at Ispahan again turned the scale in the opposite direction. It appears that the Shah, on passing the factory, was struck by its external appearance, and, curious as to its contents, he expressed a desire to visit it "if consistent with his dignity". A messenger was hurriedly sent to Bruce, poring dismally over the fateful ledgers within. Bruce found means to stimulate the royal zeal in an auspicious precedent: it was recorded in the factory's register that Shah Abbas the Great had visited the Company's factory at the time of the

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taking of Ormuz. This sufficed to confirm the Shah's resolve, and the "king of kings" sent word that he would honour the premises in person on the following morning. The delighted agent wasted no hours in sleep; the rest of the day and ensuing night were consumed in elaborate preparation for the royal visit. Persian officers were called in for consultation: the "great room" was fitted up, a throne erected with suitable magnificence, the passages and garden walks were covered with rich carpets. A use was even found for quantities of the English cloth which the Armenians had failed to sell; it decked the soil wherever the carpet did not extend and was trodden by the feet of the Shah and his numerous retinue. A collation of fruits and rich wines was prepared; after which, posting native women at the doors, with proper instructions to receive solemnly and reverently the Shah and the ladies of his harem, one other thing the agent did before withdrawing from the scene. He committed to the keeping of the women three petitions in the Persian character. In one of these he apologised for the inadequate fashion in which he and his fellow-Englishmen could receive so illustrious a personage; in a second he prayed that "directions might be given to the eunuchs to prevent persons from attempting, by means of the holes in the building, to look at the King and his attendants"; a third—and by far the most important message—asked that as, on so honourable an occasion, his Majesty could not possibly be disturbed by the impertinent solicitations of trading infidels, the

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Shah of Shahs would be graciously pleased to order the Grand Vizier to receive them.

The Shah duly came; he was highly gratified by his reception; he found the fruits and wines choice and appetising; indeed so pleased was he that he threw out hints of a second visit. Happily, as the execution of his threat would have bankrupted the factory, he did not again honour the factory with his presence. The reception having cost the agent £12,000 sterling, he was in hopes that it "might be attended with consequences which would amply repay the Company by placing their trade and privileges on a more certain basis than on any which they had hitherto rested". What he asked for was payment of the arrears of Customs, exemption from certain duties, commission to export sequins and silver, and an order to the Shahbunder at Gombroon forbidding him from molesting the Company's servants or obstructing their trade. To all of the foregoing the Vizier inclined a most gracious ear.

Such unforeseen and extraordinary favour towards their rivals could not but excite the astonishment and envy of the Dutch. Vainly did they resort to every device to induce the Shah to honour them likewise with a visit, and as a crowning effort represented the English in the character of vassals to the Dutch, explaining that their Stadtholder was actually King of England.

The Shah was not deceived by such misrepresentation; he declined brusquely to visit the factory of traders who owed allegiance to no crowned sovereign, and to add to the Dutch mortification sent to

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agent Bruce the "Khelaut" or vest of honour, together with a superb sword and a horse richly caparisoned.

But notwithstanding these marks of royal favour the Persian trade grew less. Some writers have ascribed its decline to the imprisonment at Surat of Sir John Gayer, appointed emissary to Persia, and partly to the death, only three months after his arrival in August, 1705, of the leading agent, Prescott, who bore Queen Anne's letter and gifts to the Shah.

But were the East India Company in Persia served as ably and as zealously as human nature is capable of, had it had at its command fivefold the capital, it is doubtful if the Persian trade would have wholly recovered from the Act of Parliament of 1700, which forbade all silks to enter the ports of England. That trade lingered feebly on; but the looms of Spitalfields already sang a requiem over the Company's quondam commerce at Ispahan.

China had in turn attracted the New Company; for in August, 1699, a large galley with bullion to the amount of £39,136 was despatched to Macao, Canton and Amoy direct. A few months later it was decided to make China a Presidency,[1] and a factor named Catchpoole was appointed President and King's consul. Three ships were therefore sent out, and a settlement ordered to be made at either Ningpo or Canton. The general object was to promote the sale of woollens and to collect an investment

[1] The limits of the President's jurisdiction, as Bruce remarks, were sufficiently extensive, comprising "the whole Empire of China and the adjacent islands".

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of raw silks, damasks and teas.[1] The Company's servants were licensed to trade from port to port and to be allowed to send gold home, which the Company would exchange for silver. By way of rejoinder, Leadenhall Street hit upon the scheme of a direct trade between England and China without the mediumship of Madras or any of its factories. Three ships, the *Northumberland*, the *Loyal Cooke*, and the *Dashwood*, therefore, were engaged for the direct China trade, to be managed by supercargoes. The latter were instructed to proceed direct to Canton and Amoy to observe the directions given for packing the teas and for procuring other China goods on the best terms, but not to scruple to undersell the New Company. With the last-named vessel went Gabriel Roberts, one of the Company's directors, in the capacity of supercargo.[2]

In China the New Company's agent, Catchpoole, after a few months' troublous experience, found that it was impossible to obtain produce without making a ruinous advance of money to the native growers and dealers, and even then there was no security that the article contracted for would be delivered. He therefore advised his directors to allow him to form a settlement on the island of Pulo Kondor, south of Cambodia. Such a settlement, properly fortified, would form a "check on the Chinese Government should they seize the Company's property, detain their servants, or refuse to pay the debts due to them". From this vantage-ground

[1] A duty of 5s. a lb. had been laid on tea about 1690.

[2] *Letter-book*, February, 1701. He was, later, Governor of Fort St. David.

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they could, with two or three armed vessels, inflict considerable and damaging reprisals on all the Chinese junks sailing those waters.

Although Catchpoole made several further attempts to send home vessels loaded with Chinese produce, his endeavours were continuously frustrated by the duplicity of the native merchants and mandarins, especially at Chusan, where he had fixed a factory. At length he made up his mind that the so-called grants and treaties of the Chinese local authorities were only pretexts for extortion, and that the true mode of proceeding was to negotiate at Peking through the Jesuit missionaries, whose influence was superior to that of the local mandarins. In return for certain services which Père Fontanez, a French Jesuit, had rendered, Catchpoole gave him a free passage to Europe in one of the New Company's ships, and advised that a communication ought in future to be kept up with Peking, through the agency of the famous Jesuit there, Père Gerbillon.

In 1706 the New Company learnt that its garrison on the island of Pulo Kondor, founded by Catchpoole, had been massacred by Malays, and so that promising station was lost. An insurrection among the native soldiery took place on 2nd March, 1705. The mutineers, having first set fire to the Company's warehouses, murdered President Catchpoole and most of the English in the island. It was believed that this treachery was instigated by the Cochin Chinese in order to get possession of the Company's treasure. The only factor who sur-

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vived was one Baldwin, who, with many adventures, escaped to Banjermassin ten months later.

Well was it for English trade in India that the fierce and damaging rivalry which existed between 1698 and 1702 between the two Companies did not take place during the continuance of Portuguese power or Dutch prosperity on the Asian seaboard. Had it been so during the halcyon days of Philip III., or in the age of the masterful Coen, the armaments of the one and the funds and tactics of the other would have utterly annihilated both competing English factions. They were saved from ruin by there being no longer any powerful European rivals in the field, and by the relaxed administration of Aurangzeb, whose empire was fast slipping from his aged hands.

Even as it was, the situation was so desperate for one of the Companies, and so ruinous for the other, it was manifest it could not continue.[1] The nation and the nation's rulers saw that the Indian trade must he reorganised; one or other of the parties must give way; a coalition on some terms must ensue. The New Company had actually pushed its pretensions so far as to attempt to seize and confiscate whatever property might reach England belonging to individuals in the Old Com-

[1] Anderson gives the bullion exported from England to the East Indies between 1698 and 1703 (inclusive):—

Silver - - - - - - - -	£3,171,404
Gold - - - - - - - -	128,229
Total - - - - -	£3,299,633

Or an average of £549,938.

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pany's ships. Captain William Heath, the hot-tempered commander who had done his best to injure Charnock in Bengal, subsequently became one of the directors at East India House. At the last election he lost his seat, and out of revenge transferred his services to the New Company. Heath, who was part-owner of the *Neptune*, a ship employed on the Old Company's service, persuaded the captain and purser to give him information, on the ship's arrival, of what private goods were on board not bearing the Company's mark. These, he ascertained, included a parcel of diamonds and other valuables, which were seized by the King's officers as illicit imports, contrary to the New Company's charter. The Old Company sued for restitution, and the decision of the Exchequer Court was in its favour. "It was," the Judges declared, "no trading within the meaning of the Act for establishing the English Company, for any of the London Company's servants in India at any time to bring home their estates acquired there."[1]

This adverse decision naturally depressed the Dowgate merchants still further, and made them even more anxious to effect a coalition.

At this juncture the King, through his Secretary, Vernon, intervened. He reminded the Old Company of its promise to do its best for a union, and inquired what measures it had taken to this end.

[1] Yet the Old Company thought it as well to despatch a private vessel to St. Helena with private instructions to the Governor (to be conveyed to the captain of each ship as it arrived) to place the Company's mark on all private goods on board, and so save a repetition of such claims in future.

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In consequence of this notice the merchant adventurers foregathered in Leadenhall Street on 23rd December, 1700, and resolved "that this Company, as they have always been, so are they still ready to embrace every opportunity by which they may manifest their duties to his Majestie and zeal for the public good, and that they are desirous to contribute their utmost endeavours for the preservation of the East India trade to this kingdom, and are willing to agree with the New Company upon reasonable terms".

The foregoing was communicated by Vernon to the New Company, who promptly met at Skinners Hall, to consider what would constitute "reasonable terms". After a stormy meeting the Dowgate adventurers gave out that they would be willing to unite if both Companies brought home immediately all their effects, paid all their debts, divided the surplus and wound up their business. Then the £315,000 subscribed by the Old to the New Company should be added to the latter's stock, the former should subscribe £344,000 more, should pay half the expenses of Norris's abortive embassy, sell its dead stock (such as forts and factories) at a sacrifice and, finally, in return for its complete absorption, be entitled to a one-third part in the English Company trading in the East Indies!

This preposterous proposal was received in Leadenhall Street with shouts of derision. But the formal answer of the Old Company—which, in fact, was far more than its rival in a position to dictate terms—was mild enough. It proposed a

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conference of delegates to meet and discuss terms of union.

Meanwhile, Parliament had been prorogued and a general election raged. Not the least of the issues fought out on the hustings was that of the Indian trade. Contemporary pamphleteers dilate on the electoral battle between the partisans of the New Company and the Old.

When Parliament met, and before the Committees could come to any agreement, the Old Company made one more bold bid for paramountcy. It offered to pay off the stock of the New Company and the separate traders, that is to say, to take over the £2,000,000, at 5 per cent. But although this handsome offer coincided with the fall of the great Whig chief, Montague, the New Company's chief patron and defender, yet the House rejected it.

This was the signal for a change of scene: Enter Sir Basil Firebrace. We have already had a glimpse of this worthy on the occasion of the bribes so lavishly administered by Sir Josiah Child in 1693, and the subsequent exposure two years later. Firebrace seems to have rejoiced in an especial gift for intrigue and intervention. His ability as a go-between had already received the practical approval of Charles II., of James, of Leeds, and the East India Company. The present offered a signal opportunity for the exercise of his talents. Thus, when the committees of seven, appointed by either Company, failed to come to any understanding, Firebrace appeared with an offer to produce, for

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an adequate consideration, an agreement between the two parties. His offer was accepted. As a recompense if he effected a union, Sir Basil was promised £150,000 worth of the stock of the Company at 80 per cent. of its value, *i.e.*, "a reward of 20 per cent. on this sum as a compensation for his services".

But the task was apparently beyond Sir Basil Firebrace's powers; committees wrangled, their dissidence bred obstinacy; the weeks and months dragged along, and still there came no union. The situation was critical enough for the Companies; it needed all their combined strength to counteract the growing opposition, not merely to the disorganisation of the Indian trade, but to that trade itself, now manifesting itself in the nation. The London silk-mercers and silk-weavers again rose up angrily, petitioning Parliament to restrain all importation of Indian silks,[1] and Parliament was not deaf to their prayer. Two Acts were passed prohibiting the wear of Indian-wrought silks after 29th September, 1701, and when the hope of their being refused the Royal assent vanished, the Old Company dared no longer hold out. The tide had turned and its stock had fallen on the Exchange to less than 85, while that of the New Company stood at 130. The fact is, the news of its successes over its rivals in the East, and the failure of Sir William Norris's embassy, had not yet reached England, and so there

[1] "Both the Companies," wrote one pamphleteer in 1700, "are striving hard which shall ride on the fore horse, but both agreed to drive on to our ruin."

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was nothing to neutralise the depression it suffered in popular and mercantile opinion in England. Besides, a war with France and Spain was on the eve of eruption, and the danger to the Indian commerce from the French fleet was both grave and imminent.

The death of William III. on the 8th March, 1702, produced no change in England's domestic policy. Seven weeks after this event, and a week before the declaration of European war, the instrument of union was ratified by both East India Companies. By its terms a court of twenty-four "managers" was chosen, twelve from each Company, to exercise thereafter control over the active trade and settlements. Each Company was to contribute one half of what the Court of Managers should see fit to export, but all business entered into before the union was to be managed and wound up by the factors of each Company in the course of the ensuing seven years. At the expiration of that time one great Joint Stock Company was to be established, the Old Company would convey the islands of Bombay and St. Helena to the New, and resign its charter in favour of that of the New Company, which should serve thereafter for both. On the 22nd July, 1702, a Tripartite Indenture, or "Charter of Union," was entered into between Queen Anne and the two Companies, which embodied the foregoing and formulated other provisions. The Old Company agreed to purchase as much of the stock of the New Company as would bring its share of the joint capital up to

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£2,000,000.[1] The dead stock, otherwise the factories, forts, and dwellings of the Old Company, as distinguished from money, ships and merchandise, was valued at £330,000, and that of the New Company at £70,000, wherefore the latter were to pay in £130,000 to make up their share of the £400,000, which was the price fixed for the properties. Measures were taken for trade government and defence in the interval, and at the end of the covenanted period both parties were to emerge as "The United Company of Merchants of England trading to the East Indies".

But to arrange all this programme pacifically at home, although not unattended with discord and delay, was a simple matter compared with the truly gigantic task of reconciling all hostile interests between the two clashing factions in the East. The masters might agree to shake hands and be friends, but it was not easy for the servants to abandon at a signal all those rivalries and jealousies, animosities and hatreds which had been so carefully fostered

[1] The interests of the London and English Companies and separate traders were as follows:—

The London (or Old) Company's subscription -	£315,000
„ English (or New) „ „ -	1,662,000
Separate traders' subscription - - - -	23,000
	£2,000,000

Under the agreement the interests were re-adjusted thus:—

Purchase of £673,000 stock by the Old Company in addition to its former holdings - -	£988,500
New Company's proportion - - - - -	988,500
Separate traders' „ - - - - -	23,000
	£2,000,000

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by both Dowgate and Leadenhall Street during the past few years.

Especially was it hard when we find the New or English Company, while publicly acquiescing in the new orders of the Court of Managers, continuing to send private messages to its servants abroad authorising them to keep alive the old opposition and encouraging them in their attitude of obstinacy and faction. All this could have only one effect: to retard the general winding up of its own affairs and so postpone the final union which had been agreed upon to take place in seven years.

Publicly, with solemnity and impressiveness, it was enjoined upon all to "lay aside opposition and to forward the reciprocal views of the two Companies for lowering the prices of Indian commodities and disposing without rivalship of the European goods remaining in the warehouses". But could Sir John Gayer forget Sir Nicholas Waite's tyranny, could John Pitt forgive Thomas Pitt's insults, could Littleton and Beard become reconciled?

When the Court of Managers were finally informed of Sir John Gayer's imprisonment at Surat, it was provided that should he remain a prisoner Waite should act provisionally as Governor-General and meanwhile employ his utmost efforts for Gayer's release and for recovering the security bonds extorted formerly from President Annesley. This was throwing too strong a temptation in Waite's path, a "person whose violence and ambition they already knew had contributed to the failure of Sir William Norris's embassy".

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The first accounts of the bargain of the two Companies in England reached Madras through some of the crew of the New Company's ship, the *Norris*, who had been saved from the wreck of that vessel when she blew up in Masulipatam Roads, on the 2nd of August, 1702. Thomas Pitt was not the man to waste time when diplomatic action was required. He hastened to make friends with the merchant adventurers in Dowgate, and his overtures were not rejected; by his thus taking Time by the forelock did he possess their goodwill in later years.

"My gratitude as an Englishman," he wrote to the New Company's directors, deploring the King's death and congratulating them on the accession of Queen Anne, "obliges me to pay all deference to the blessed memory of King William and to remember that great saying of his to the French King's plenipotentiary at Ryswick, upon concluding the peace, ''Twas my *fate and nott my choice that made mee your enemy'*; and since you and my masters are united itt shall be my utmost endeavour to purchase your good opinion and deserve your friendship."[1]

With the minor servants, each looked surlily, even vindictively, at the other for some seasons to come, and brawls and high words were not infrequent, and, indeed, a clashing of interests that was highly unremunerative to their masters. In some leading instances jealousies were fomented by the

[1] Letter dated the 3rd October, 1702.

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instructions and appointments of the new *régime*. At Madras, however, was soon cut short all chance of trouble. It was Thomas Pitt and not his cousin John who became unanimously appointed President and Governor of Madras, his merit as an administrator and not less as a forceful antagonist being so clear. Nevertheless, the directors explained to him that they had been obliged to consent for reasons of policy that John Pitt should be appointed Governor of Fort St. David with an independent power in civil and military affairs and eventually to succeed him. In view of the deep-seated animosity between the two men such an arrangement would have been unworkable. Thomas wrote afterwards with engaging candour that "'twas impossible we could ever be reconciled; I think him the ungratefullest wretch that ever was born". John Pitt died in May, 1703. The news came as a relief to his unbending rival, who was now left supreme on the Coromandel Coast—"he is dead," he wrote briefly, "and there's an end".

Two years later witnessed the death also of the Company's "faithful John Beard". Littleton's incompetency ought to have been perceived from the beginning, but was not, any more than Beard's honesty and loyalty were rewarded. Once Beard was out of the way Littleton knew no check for his incompetence and embezzlement, and when he died in October, 1707, was some 80,000 rupees short in his accounts, a fact, albeit, not discovered until the following year.

But the most lamentable instance of irreconcilia-

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tion and maladministration occurred on the West Coast. Sir John Gayer, officially known as the "General in India," was appointed by the joint board or Court of Managers to be Governor of Bombay. His rival, Sir Nicholas Waite, received the lesser appointment of President of Surat. At this time both places were in a state of insecurity, owing to the attitude of the natives—Moguls and Mahrattas. Poor Gayer, though no longer actually imprisoned, was under the strict surveillance of the Governor of Surat; trade was under an embargo. When the first accounts arrived of the union at home Waite intimated the event in a formal manner to Gayer, who, as formally, acknowledged the message. Each professed readiness to adopt measures for mutual interest; each secretly distrusted the other. In fact, Waite was wholly against the union and a sworn enemy to Gayer and the other Old Company's servants. He found means to instigate the native governor against his rival, whose detention meant his own continuance in the honours and emoluments of the General's office. Early in 1703 the Mahrattas fell upon Surat; after they had retired the Mogul considerately removed the embargo upon European commerce. But as Waite had no intention of permitting himself to be superseded, in consideration of a heavy bribe (27,000 rupees) he induced the Mogul Governor to continue Gayer in restraint. Under such circumstances trade at Bombay stood still, and the ships of both Companies were prevented from taking investments on board or proceeding to Europe.

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This diversity of temper and opinion naturally characterised their reports home until it was difficult for the Court of Managers to know whom to believe. The Old Company's servants stated generally that there would be funds enough to discharge their debts, while those of the New Company represented the former to be indebted to a greater amount in Bengal, for instance, than its stock could discharge. But one thing was soon apparent: there was gross mismanagement on the part of Waite and Littleton, and the sooner these worthies were recalled the better for the United Company's interests. Although the full extent of the former's duplicity was not known at the beginning of 1705, yet we find the Court's letters full of sympathy and approbation for his rival, Sir John Gayer, to whom all orders are addressed. To him, in his confinement at Surat, these instructions must often have had a rude irony, but in general the Court recognised his helplessness and their own. The war in Europe, they explained, alone prevented the Company's obtaining men-of-war to clear the Indian Seas of pirates, but "they would employ every effort when peace should be restored not only to render that garrison respectable, but to equip armed ships to clear the seas and to root out that nest of pirates, the Muscat Arabs".[1]

The crafty Waite meanwhile took possession of Bombay, which he represented as being in a shocking state of disrepair and exposure, and therefore

[1] Letter from the Court of the London Company, 12th January, 1705.

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required large sums to restore. He proceeded to extort and squander the Company's funds recklessly. His private conduct was execrable; he formed a marital alliance with his own niece, although his wife was still living in England. The usurping Governor-General's example was not lost upon his followers, and a base disorder spread through all grades of the service at Bombay. In vain the Court of Managers expostulated. Waite treated their rebukes with contemptuous disregard. But before the final and formal order of expulsion came in 1708 his own Council had compelled his resignation.

Meanwhile, the French at Pondicherry were continually receiving reinforcements from Europe, although Madras was inadequately defended, and often received only three or four recruits in a season. President Pitt pressed on the Company the need of a large supply of European soldiers, not merely to defend its property against any possible attack on the part of the French, but also to preserve order amongst a rapidly increasing population. Pitt himself, worn out with long service and exertions and the master of vast wealth, resolved in 1705 to resign his post to Gabriel Roberts unless he heard of the death of Aurangzeb—who was "a most unconscionable time a-dying"—in which case he would reconsider his decision.

We have heard but little of late from the Company's records of the Island of St. Helena, now governed by fixed regulations. In June, 1706, two of the Company's ships, the *Queen* and the *Dover*,

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were captured there by a couple of French men-of-war. This calamity, wrote Governor Poirier, was occasioned by the captains not having brought their vessels sufficiently under the protection of the guns of the fort, and consequently he wrote for instructions to the commanders in future to moor their ships within range, which instructions the Court of Managers issued as amongst their last acts before the final union of the Companies.

Aurangzeb's demise at length took place, 20th February, 1707, at his camp near Aurangabad, in the Deccan. It was first communicated to Leadenhall Street by Sir John Gayer, who found means to despatch the tidings to Europe. One of the Emperor's last acts had been to issue orders for the stoppage of the trade of all *Hatmen* (*i.e.*, Europeans) in his dominions, an order not easily, from the cupidity of his Governors and the political dissensions throughout his Empire, carried into effect. Indeed, the Mogul guards were at this time withdrawn from the Old Company's factory at Surat, although neither French nor English were permitted to pass the gates, and Gayer was still to be detained for three more weary years.

In announcing the passing of the Great Mogul, Gayer felt it prudent to resort to allegorical language for fear of his letter falling into the hands of the natives (or of his English enemies), amongst whom it was considered treason to speak of the death of so high and mighty a potentate. "The Sun," therefore wrote he, "the Sun of this Hemisphere has set and the Star of the *Second* magnitude being under his

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meridian, had taken his place; but it is feared that the Star of the *First* magnitude, though under a remoter meridian, would struggle to exalt itself." This, in fine, represented the situation, for by his will Aurangzeb had divided the Empire amongst his three sons, Shah Alum, Azim and Buksh. These three instantly proceeded to march through bloodshed to undivided authority. A great battle was fought near Agra in June 1707, in which nearly 100,000 men fell on both sides. Azim was slain, and his elder brother's career of conquest opened auspiciously.

In Bengal, so far as the Company's affairs were concerned, Aurangzeb's death had hardly any effect except to induce Pitt, who ruled the settlements from Madras, to strengthen Fort William. The town of Calcutta was now regularly built and the inhabitants and revenues increasing. The garrison consisted of 125 soldiers, of whom forty-six were Europeans, exclusive of the squad of artillery.

In the meantime the Company had got a solid footing in Borneo at Banjermassin, which it had fortified. The factory staff already consisted of a chief agent and four members of Council, one factor, three writers, one officer, twenty-five English, three Dutch, and ten Macassar soldiers, thirty Japanese carpenters, five Chinese carpenters, two Chinese bricklayers, seventy labourers, thirty slaves and nine European seamen. More European artisans were demanded, especially bricklayers and carpenters, to complete the fortifications, as well as a large supply of military stores. Trade

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here seemed very promising, and the Court of Managers were congratulating themselves when there reached them news of a catastrophe, in the shape of a native attack, which drove the English from Banjermassin. Cunningham, one of the New Company's servants, who had escaped the massacre at Pulo Kondor and had for some time been a prisoner in Cochin China, ascribed the sudden attack of the "Banjareens" to the instigation of the Chinese, who, jealous of the pepper trade which the English were building up and of the fortifications, had bribed the natives in June, 1707, to surprise the settlement. Though they were at first repulsed, yet so many, including the Company's agent, were killed that a retreat was with difficulty made to the ships. The factory was abandoned at a loss of 50,000 dollars, although the chief treasure, being on board ship, was saved. This put a stop to the establishment of intermediate stations to facilitate the China-European trade.

By this time both Companies at home had grown sick of the tentative situation. The pseudo-alliance had not spelt prosperity. The demand was now for complete union or final severance. The selfish spirit, prompted by a lingering hope of better terms or of securing a preponderating influence, was still far from being crushed. But an event now occurred to precipitate a firm and indissoluble union. Queen Anne's Government, engaged in a general war in Europe, was in need of funds. Loans were demanded from every corporation in the realm,

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and amongst these from the Joint Companies. The Earl of Godolphin, then Lord High Treasurer and chief minister of finance, proposed to borrow from them the sum of £1,200,000. The demand thus presented caused the two bodies to show a united front; it called for immediate corporate action. It would have been suicidal to refuse; the remembrance of what had happened in 1698 induced both parties to lay aside their separate interests. Were the Court of Managers to hesitate about the money, it was by no means improbable that Parliament would terminate the Company's privileges in favour of a new body of mercantile speculators.

Such reflection demolished all hesitation. The final welding of the rival Companies which would follow such a loan was foreseen and concurred in. A bill was forthwith drafted by the Government, ostensibly for raising the sum of £1,200,000 for the public service. But the true function and virtue of the measure lay in the appeal it comprehended to Lord Godolphin, to submit all outstanding differences and disputes for his final decision. The bill was quickly passed through both Houses of Parliament and received the Queen's assent on 20th March, 1708. The Companies now stood pledged to pay to the Exchequer the sum above mentioned, which carried no interest, but added to the 8 per cent. loan of 1698, made up a total of £3,200,000 yielding 5 per cent. interest. The United Company "should cease and determine on three years' notice after the 29th September, 1711, and on repayment of their capital stock of two millions," and from that date

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should continue till 25th March, 1726, and then should cease on three years' notice and the repayment of their capital of £3,200,000.

The separate adventurers (or the General Society) were to be bought out after 1711 at three years' notice. Lord Godolphin's award in the matters demanding arbitration was to be delivered on or before 29th September, 1708, after which date the London Company was to surrender its charters and become merged with the English Company in the United Company.[1]

The result of the arbitration was duly announced. It was found that as the liabilities of the Old Company were in excess of its assets, largely through the infamous behaviour of the New Company men, Waite and Littleton, its shareholders should pay to the United Company the sum of £96,615. As, on the other hand, the debts of the

[1] I cannot agree even with Sir George Birdwood that the New Company swallowed up the Old, or even accept the latter's adoption of the former's coat-of-arms as a proof of deglutition. "The English Company," says Mr. William Fidler, in his Memorandum on the East India Company, "in spite of their high pretensions, found themselves worsted by the superior intelligence and capacity for business of the Court of Directors; so that in July, 1699, when the London Company's £100 stock stood at £140, theirs (£95 paid up) was at £70. In 1701, too, they signally failed to procure a firman from the Mogul." At the time of the amalgamation nothing was more natural than that the Old Company should attach a superior value to the coat-of-arms which had just been granted to its rivals by King William, and which it regarded as amongst the New Company's assets. In any case, to have insisted on the retention of its old Tudor arms, in view of the attitude towards it of the Whigs, to say nothing of the trouble and expense the United Company had been put to in procuring the new and more elaborate device, would have been for the senior body the sheerest unwisdom.

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New Company were found to be less than its assets, £66,005 was to be distributed amongst the shareholders. Furthermore, it was ascertained that the Old Company was indebted to a large amount in Great Britain, to discharge which debts it was necessary to call upon its proprietors for £200,000 at two specified periods, and such further sum as would be necessary. But one-third of these several amounts was to be repaid by the United Company adventurers in consideration of the sum advanced by the London Company at the time of the union of 1702 to equalise the stock of the two Companies.

It is unnecessary further to dwell on the details of the fiscal adjustment which took place in 1708. It was not really unfair to the original body, whose assets were made to appear so small. It was an adjustment which made few, if any, poorer, and few, if any, richer. Whatever article of it seemed unduly to favour the New Company at the expense of the Old will appear delusive when it is borne in mind that the two Companies had merged not merely economically but individually. The *personnel* was almost identical. The leading spirits of both old and new bodies were the leading spirits of the United Company. A rich adventurer found that he owed himself so many pounds sterling; he simply changed his funds from his right pocket to his left. No great and leading mind perhaps since Child's death now stood out on either side; yet the greatest and richest amongst the leaders were Old Company men. The Old Company may seem to have been swamped by the New; in theory perhaps it was so; but in fact

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and historically the continuity of the ancient body was maintained.

For it cannot be denied that all the projects of the New Company, both in India and China, had ended in loss and disaster. The conduct of its Presidents, Waite, John Pitt and Littleton, and most of the servants had been uniformly bad, as was to be expected from the fact of their being dismissed servants of the Old Company guilty of breaches of trust. The abortive and costly mission of Sir William Norris was another instance of ill-advice and ill-management.

And the tactics of the New Company are characteristic to the end. In Borneo, instead of ordering its investments to be sent on board the ships of the United Company, it ordered them to be loaded into the vessel of one of the separate traders (belonging to the small outstanding property of the General Society) and consigned the whole dishonestly to the Bengal Council, of which the recreant Littleton had lately been at the head.[1]

[1] The following is a list of the factories of the Old Company at the time of the union :—

Factories dependent on the Presidency of Bombay: Surat, Swally, Broach, Ahmedabad, Agra and Lucknow; on the Malabar coast: Carwar, Tellicherry, Anjengo and Calicut. In Persia: Gombroon, Shiraz and Ispahan.

Dependent on the Presidency of Fort St. George: Madras, Fort St. David, Cuddalore, Portonovo, Pettipolee, Masulipatam, Madapollam and Vizagapatam; and also the Sumatra settlements: York Fort, Bencoolen, Indrapore, Tryamong, Sillabar and also the factory of Tonquin in Cochin China.

On Fort William: Chuttanuttee, Ballasore, Cossimbuzar, Decca, Hugli, Molda, Rajahmahl and Patna, and recently Bantam.

The New Company's factories were those of Surat, Masulipatam, Madapollam, on the islands of Borneo and Pulo Kondor.

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CHAPTER II.

The Upgrowth of Trade in the East.

WHICHEVER set of merchant adventurers might have survived, had the contest for supremacy in India continued, it is idle to determine. The point is that both Companies by their union now rested on a firmer basis than either had ever enjoyed, because that basis was the State itself. Having unpinned its faith from the King, no longer could either be in daily terror of having rights and privileges taken away arbitrarily because of cabals, public clamour or upon false pretexts. Thereafter any Ministry would hesitate at a project that involved not merely the payment of the loan, but a full compensation from the national exchequer for the dead-stock in India and for the charges of acquiring and preserving the Company's territorial acquisitions. Thereafter the interests of Company and State were welded together indissolubly for a century. Thereafter higher ideals were present to men's minds both at East India House and in the East Indies. Trade was to be sought and fostered as diligently as ever, but it was trade combined with "warfare, fortification, military prudence, and political government".[1] The break-up of the Mogul

[1] It is worth noting that in the year 1701 a new and more orderly plan in the correspondence between the Old Company and its

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Empire was in sight; the tumultuous conditions following on the death of Aurangzeb not only made a new policy necessary, but offered vast opportunities for the trader who was both soldier and politician.

"It is almost needless to remark," says Anderson, "that much clamour was raised against this renewal of the exclusive privileges of trading to India, as it was naturally to be expected, and had always before happened on every such renewal. Many pamphlets were published for inducing the legislature to lay that trade open; or at least, to let Bristol, Liverpool, Hull and other great trading towns into a proportionable share of the trade."

It was pointed out as a reason why London alone should not engross the entire Indian trade, that the Dutch Company's charter of 1602 comprehended six Dutch towns, instead of confining all to Amsterdam. By way of reply it was shown that the two cases differed, because the English Company stock being transferable any person in the three kingdoms might freely buy shares. But clamour against monopolies is human, and that directed against the Com-

servants was adopted. Hitherto their correspondence had been without arrangement, and the letters from the various factories mixed and indistinct. In future, it was decided that the subjects in each letter from its agent should be arranged under six heads:—

1. Shipping and goods sent from England.
2. Investments in India.
3. Trade in general.
4. Revenues and fortifications.
5. Factors, writers, officers and soldiers.
6. Matters relating to the New Company.

The foregoing method (excepting the last clause) was afterwards followed with little modification by the United Company. *Letter-book*, February, 1701.—Bruce's *Annals*.

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pany broke out at intervals for the next century and a half, or as often as it applied to the nation for a renewal of its privileges.

Thomas Pitt, the Company's Governor of Madras, had already succeeded in establishing friendly relations with the Mogul Court at Delhi under peculiar circumstances. Shortly after Bahadur Shah's victory at Agra it was feared that his younger brother would take refuge in Madras, and from thence make his escape to Persia. To foil such an attempt the Minister, Zendi Khan, made friendly overtures to Pitt. The Company's Governor responded by asking for a firman confirming all the privileges which Aurangzeb had granted. The request was promptly acceded to, and Pitt had especial reasons to congratulate himself, for soon after this episode the prince in question perished on the battlefield.

Madras being considered a part of the Mogul province of Arcot, the English paid a yearly rent of twelve hundred pagodas to the Nawab of the Carnatic.[1] This ruler was himself subordinate to the Nizam of the Deccan, to whom he also paid an annual tribute. The result of those obligations and of this vicarious government was that the district was badly governed, and many thousand of acres lay uncultivated for want of the irrigation which it had formerly enjoyed. It also meant that upon the Company's government there devolved more and more responsi-

[1] The Nawab is also known as the Nawab of Arcot. The Nizam of the Deccan is known in the present day as the Nizam of Hyderabad. The Carnatic extends from the Kistna to Cape Comorin.

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THOMAS PITT,

GOVERNOR OF MADRAS.

From the Picture by Kneller belonging to Earl Stanhope.

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bility and authority, and for this reason it came to exercise greater influence with the natives.

Pitt had the very clearest perception of a growing Anglo-Indian problem, as is evinced by his letters to the Company.

"When the Europeans," he wrote in 1708, "first settled in India, they were mightily admired by the natives, believing they were as innocent as themselves; but since by their example they are grown very crafty and cautious and no people better understand their own interest so that it was easier to effect that in one year which you shan't do now in a century; and the more obliging your management, the more jealous they are of you."

It took, therefore, all Pitt's ability to encourage native industry and to procure the products of that industry for the Company. He advocated strongly the acquisition, at whatever cost, of Portuguese St. Thomé, "to remove neighbours ready to take advantage of the prejudices or the interests of the natives".

At this time Madras was inhabited by Hindus, Mohammedans, Armenians and Portuguese, there being temples and churches for each religion. Having some apprehensions that this part of the city, known as Black Town, might be plundered by Nawab Daud Khan, the inhabitants were ordered to erect a wall along the landward side. Both divisions, *i.e.*, Black Town and White Town, were ruled absolutely by the Governor; all other affairs of the Company were managed by Pitt in conjunction with his Council. The Company had here its mint, with schools for each nation, and the English church, the latter

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being well endowed and maintaining a number of poor gentlewomen "in good housewifery, good clothes, and palanquins".

In 1708, too, when native pirates and native military raiders abounded, the resources of Madras were affected by the large payment required from the United Company to liquidate the claims of the Old and New Companies. The payments were for a time delayed by the ignorance and obstinacy of certain members of his Council, until Pitt dismissed two and wrote home for some suitable men in their place, "for," said he, "though there were two chairs then vacant in Council, they were just as useful as the persons who lately filled them".

In 1709 Pitt finally returned to England, leaving his son Robert (father of the great Earl of Chatham) and a young cousin, afterwards a Governor of Madras, in the service. Thomas Pitt had been one of the ablest servants of the Company, as he had formerly been one of the most intrepid and unscrupulous of interlopers. But even his loyalty to the Company did not altogether preclude him from striking an advantageous private bargain when the opportunity offered. Once a dealer in gems, named Jamchund, brought to Fort St. George a Kistna diamond of great size for sale. Pitt's eyes must have glistened at the splendour of the jewel, for which the gem merchant asked no less a sum than £30,000. The Governor, resolved to become its possessor, at length agreed to pay £20,400, and the dealer departed, doubtless rejoicing in having made so good a bargain. But Pitt more than surmised its true value: he had

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the stone home-cut in England and then sold it to the Regent of France for £135,000. But huge as this price was, it was far less than the Pitt diamond was worth. When duly set in the Royal Crown of France, it was found to weigh 136 carats (only a third of its original weight) and was appraised at £480,000.[1]

Pitt was succeeded at Madras by Gulstone Addison, a brother of the famous essayist. But Addison was in very feeble health, and died a month later, after having attended scarce half a dozen Council meetings.[2] As he was childless, all his money went to his celebrated brother, whose marriage with the Countess of Warwick took place shortly afterwards. Gulstone Addison had been instrumental in procuring an appointment for the only grandson of the poet Milton, Caleb Clarke, who held the post of clerk of the parish church of Madras.

William Aislabie, the new Governor of Bombay, had long served the Old Company, and on intimating to him his appointment the United Company desired that all former animosities in this part of its territory might be laid aside. It informed him of Sir Nicholas Waite's dismissal and urged him to exert every effort to procure Sir John Gayer's release.

[1] Governor Pitt lived, as might have been expected from his great wealth, in no niggardly fashion. When he retired the Company bought his plate for the use of the public table at the fort, and paid for it £765. It comprised, amongst other articles, sixty-six silver plates and twelve dishes.

[2] Another brother, Lancelot Addison, Fellow of Magdalen College, Oxford, had come out on a visit to Madras. He was taken ill there, and died in the following year (1710).

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But not till 1710 did Sir John Gayer finally obtain his freedom, and a few months later set sail for home. Early in the following April, soon after the ship had left the Peninsula, four French men-of-war appeared and ordered the Company's captain to surrender. A fierce resistance was offered, in which Gayer was mortally wounded while urging his fellow-servants to battle. The ship and crew were captured, and the brave but luckless Gayer expired a prisoner in the hands of the enemy.

The scheme of a rotation Government in Bengal had, after trial, proved a failure, and in 1709 the Company resolved to abolish it and replace the management of its affairs in the hands of a single President. The difficulty lay in the choice of a proper man. Four candidates were in the field, three of whom, Ralph Sheldon, Jonathan Winder and Robert Hedges, were old and tried servants. The fourth was Anthony Weltden, a sea captain and privateer of doubtful antecedents. Nevertheless, Weltden had a powerful recommendation; he had no experience of Bengal, and was quite free from all connection with the late acrimonious disputes between the servants of the New and Old Companies. He had made a fortune in private trading and had considerable influence in Leadenhall Street. Weltden left Portsmouth for India early in 1710 and duly took up his duties as Governor. His term of office proved to be very brief, but, says Hamilton, "he took as short a way to be enriched by it by harassing people to fill his coffers". In less than a year the Company sent out a letter to

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Calcutta revoking Weltden's commission and appointing Sheldon President, with John Russell second, and Hedges third. But Sheldon was dead, and so John Russell, grandson of Oliver Cromwell through the Lord Protector's daughter, Frances,[1] became Governor of Fort William and President in Bengal.

The grandson of the mighty Oliver had his hands full, as had William Harrison at Madras and Aislabie at Bombay, in steering a middle course between the rival powers then battling for the throne of Delhi.[2] At first Russell earned the Company's entire approbation, the latter holding that it was good policy "to carry it fair to both parties when it can be done so as not to be discovered: to make them apprehend that you are always ready to do them service when in your power".[3] Such opportunism seems to have been

[1] Russell furnishes an example of the more aristocratic type of men in the Company's service during and since Child's administration. His grandfather, Sir Francis Russell, third baronet, was the eldest son and heir of William Russell, of Chippenham, Cambridgeshire, his father, the fourth baronet, marrying Cromwell's youngest and favourite daughter, Frances, to whom John Russell was born in 1670. In 1693 he was elected a factor for the East India Company, and reached Bengal in December of the following year. Three years later he married a sister of Governor Eyre, by whom he had several children. On his return to England he again married in 1715, and became master of Chequers Court, Bucks. He died in 1735, after twenty years spent in seclusion.

[2] "Russell's attitude towards the contending powers," says Mr. C. R. Wilson in his *English in Bengal*, "was one of sheer opportunism. It mattered nothing to him whether Tweedledum or Tweedledee sat on the throne as long as he could purchase piece goods at reasonable rates and convey saltpetre from Patna to Calcutta in safety."

[3] *Court Letter-book*, 13th January, 1714.

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most acceptable to Leadenhall Street at this time, for we find it also bestowing encomiums upon the conduct of Sir Charles Eyre (Russell's brother-in-law), who during his administration "did his business by good words and good correspondence and rarely paid a penny for it".[1]

As Calcutta developed in size and importance the expense of the Company's establishment increased proportionately. In the early years of the rotation government the "charges general" were estimated at from 52,000 to 93,000 rupees a year. In 1709-10 they rose to 109,700 rupees, and in the following year, the first of Russell's government, the expenses rose at a bound to 196,800 rupees. Such an "amazing increase" was of course "in no way to be approved of" by the Court of Directors, who warmly protested against the extravagant practice of advancing large sums of money to the paymasters, who, in one recent case at least, had been tempted to misappropriate. Russell was forthwith ordered to consider how expenses could be retrenched. Yet it was plain that an increase was inevitable, only the Company desired that it should be offset by a corresponding increase in the revenue of the town, and the Court of Directors never lost an opportunity to impress this point. "We have often told you," they write in 1711, "nothing but revenues has made the Dutch interest in India formidable. The like reason holds for our nation too; we must of necessity be at a constant charge when our several servants manage all with the utmost

[1] *Court Letter-book*, 5th January, 1711.

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fidelity and frugality : not only in the charge attending our trade, but in what is requisite for our defence to preserve our estate from sudden irruption and surprise of the natives, who will never want some pretence or other if they see us unguarded and insecure. Therefore, for the sake of posterity we must have such a plantation of revenues as will by good and constant cultivation produce a certain supply towards defraying this certain expense, having regard not to make the inhabitants uneasy by oppressing them. You write you can't suddenly lay any particular duty that will be sufficient to defray the present charge. But granting that, should not the inference then be, though you can't do all, you will do what you can towards it, and if you did so much as you could we should not find fault. But we have evident proof that instead of this there are some even amongst yourselves who secretly and rather than not obtain their point, have openly opposed the increase of our revenues."[1]

Yet the Company often suggested large schemes for the improvement of Calcutta, such as the digging of a ditch round the town, the building of a new dock and a large warehouse for general use.[2] But Russell appears to have had little taste for enterprises of this kind, and Calcutta had for the ensuing half-century to be content with a fort which was only nominally a fort, making "a very pompous show by the water side by high turrets of lofty

[1] Court to Bengal, 28th December, 1711.

[2] *Court Letter-book*, 2nd February, 1713.

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buildings, but without any real strength or power of defence".

This question of extra taxation went on being discussed for several years. The Company argued for a grain duty: its servants opposed it as being opposed to local feeling and likely to provoke the Mogul's interference. The Company would not credit these to be real reasons, alleging that its servants, being concerned in the grain trade, wished to escape all taxation. Although the grain duty was imposed in 1716, the revenues of Calcutta seem to have been slightly bettered. What was really needed was just administration, the enforcement of public health ordinances, and then, by a natural law, the revenues would increase with the population.

It cannot be said, with all their adherence to the principle of a grain tax, that the directors were blind to this, for in many of their letters we find them declaring that, after all, "righteousness is at the root of our prosperity". "Let your ears be open to complaints," they write, "and let no voice of oppression be heard in your streets. Take care that neither the broker, nor those under him, nor your own servants, use their patron's authority to hurt and injure the people. Go into different quarters of the town and do and see justice done without charge or delay to all the inhabitants. This is the best method to enlarge our towns and increase our revenues."

Noble counsel, truly!—and for the next half-century it was, on the whole, faithfully followed.

We have seen that at a very early period the Company had paid considerable attention to the

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establishing of schools and chapels in its factories, and to the means of diffusing the doctrines of Christianity among its native servants and among other natives living in the neighbourhood of its settlements. By the charter of 1698 the New Company was bound to maintain a minister and schoolmaster in every garrison and superior factory, and to set apart a decent place for the performance of divine worship. It was also required to have a chaplain to every ship of 500 tons or upwards, whose salary was to commence from the ship sailing outward. Such ministers were to be approved by the Archbishop of Canterbury or the Bishop of London, and were to be at all times entertained with proper respect. Resident ministers in India were to learn the Portuguese and Hindu languages, "to enable them to instruct the Gentoos and others in the Christian religion".[1]

The United Company's charter had enjoined that a chaplain should be maintained in every garrison and superior factory and that all ministers sent to reside in India should be obliged to learn Portuguese and apply themselves to learn the native language of the country where they resided, "the better to instruct the Gentoos that shall be servants or slaves of the Company and of their agents in the Protestant religion". In the event of death of any minister his place was to be supplied by one of the chaplains of the next ship arriving at or near his station; and

[1] On the union of the two Companies in 1708, it was declared by the charter that the chaplain should have precedence next after the fifth member of Council at his factory.

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besides a minister the Company was also directed to supply schoolmasters in all its garrisons and superior factories when considered requisite.

Nevertheless, the Company does not appear to have supplied Calcutta with a schoolmaster until many years had elapsed, and even left the settlement without a chaplain for lengthy intervals. When in August, 1711, William Anderson died, his place was taken by James Williamson, a member of the Council, who donned a "customary suit of black and read prayers and a sermon every Sunday".

In the matter of a church, Calcutta was far better off than Bombay, to which it had even sent 800 rupees towards the building of a new edifice.

One of the Company's parsons remarked, in 1715, that "a man cannot lodge and board here tolerably well under forty rupees a month, that is £5," from which it may be gathered that his salary of £100 a year, with forty rupees a month for diet, must have proved ample enough for a bachelor. Yet this same chaplain, although not without Christian zeal, actually incurred the reproof of the Company for engaging in private trade.

In the meantime, at home the War of the Spanish Succession had entered on its final stage. The Whigs collapsed in October, 1710, and at the end of the following year the great Marlborough was ignominiously dismissed from his office of Captain-General. The aim of the new Tory Government was to bring about a cessation of the war, but for the present their efforts did not meet with complete

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success. In 1711 a rumour spread through Calcutta that the French were in the bay; but, although the rumour was true, the French did not dare attack the Company's shipping in the Hugli, and ultimately retired. Elsewhere, however, the French captured the *Duchess*, off Bombay, and the *Jane*, at Rio de Janeiro. This latter was commanded by one John Austin, and had on board John Collett, the Deputy-Governor of the Company's settlement at Bencoolen.[1] Her captain put in at Rio, "on pretence of want of provision and to refresh her men," but really for the sake of private trade. Here he lingered for a month, until M. de Guay's fleet approached and sacked the town, when he shamefully surrendered his ship and took passage home on the French squadron. Collett, failing to purchase another vessel, found he could redeem the *Jane* and her cargo for £3,500, which he paid forthwith, and reached Madras in May, 1712.

Another ship, the *Sherborne*, carrying back ex-Governor Weltden, was not so fortunate. She was captured by the enemy, in 1712, off the Cape of Good Hope, and carried a prize to France.[2]

It cannot be said on the whole that the war with the French occasioned much disturbance or dread in India on the part of the Company's servants. It

[1] She also carried a large literary contribution made by the Company to the missionary cause in the East: 1,500 copies of St. Matthew's Gospel in Portuguese, catechetical and practical books for the missionaries at Tranquebar and the chaplains at Madras, Calcutta and Bombay, a printing press, types and paper, and a printer, Jonas Finck.

[2] The Company made great efforts to redeem her cargo, but as what it had cost in India was only £42,000, and as the same was valued in France at £1,500,000, the negotiations were fruitless.

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has been truly said that they were "far more jealous of their Dutch allies than of their French enemies". Besides, the English, in Bengal at least, were more interested in the quarrels and contests which took place on land between the different native princes and governors.[1]

By this time formal negotiations for peace had been opened at Utrecht. Before news of the cessation of arms could reach India the Company's shipping was repeatedly threatened by the French, occasionally making narrow escapes, as in the case of the *Marlborough*. The Company presented the captain of the *Marlborough* with a medal for his exploit. On the 11th April, 1713, the peace of Utrecht was signed, and on the 24th the Court of Directors despatched the news "by a Dutch conveyance" to India. Henceforward there for thirty years the English and French were at peace, save for occasional bickerings about salutes, or with perhaps an occasional alarm of a fresh war between the two nations in Europe. In 1714 Russell was replaced at Calcutta by Robert Hedges, a nephew of the first governor in Bengal, Sir William Hedges, whom we have seen quarrelling with that indomitable pioneer, Job Charnock, the founder of Calcutta.

At the time of the Union the two great business corporations of the kingdom were the East India Company and the Bank of England. In 1711 it was found prudent to pass a law, owing to the relations subsisting between these two great creditors

[1] *English in Bengal.*

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and the nation, to forbid any person to be at one and the same time a director of the Bank and of the East India Company. By this Act was the former "enabled and obliged" to exchange all Exchequer bills for ready money on demand. But none had ever been governor, deputy-governor, or director simultaneously of both corporations. Again, when the Earl of Oxford brought in his famous South Sea Scheme, it was decreed in the Act of Charter that "neither the governors nor directors of this Company shall be capable of being such in the Bank nor in the East India Company at the same time".[1]

In 1712 Parliament passed an Act "for continuing the trade and corporate capacity of the United East India Company, although their fund should be redeemed". This modified the stipulation of the Godolphin award, that when the Company had received from the nation the £3,200,000 it had lent, "upon three years' notice, after Ladyday, 1726," its exclusive privileges should cease and determine.

But after four years' experience the Company's prophetic eye saw that such an abrupt termination went ill with a policy of permanence in India. It found itself more than ever called upon to spend vast sums on establishments that were not for a year or a decade, but for a series of decades, during which time they would return no profit. "In order to

[1] In November, 1711, we find the prices of the public stocks were as follows:—

East India Company - - - -	£124½
Bank of England - - - - -	111¼
South Sea Company - - - -	77½
Royal African Company - - -	4½

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make lasting settlements for the support and maintenance thereof for the benefit of the British nation," Parliament was therefore petitioned to continue the trade and corporate capacity of the Company, although its fund should be redeemed. The Tory Ministry, thinking the request a reasonable one, gave it their support, and an Act was passed repealing the "redemption and determination" clauses of the Whig Act of 1708. But at any time, upon three years' notice after Ladyday, 1733, the Government might, if it saw fit, repay this loan, in which case the interest as well as the special duties levied on salt, stamps, and East India goods for the purpose of meeting it would cease.

Certainly, after this, the Company had some reason to believe it had been endowed with permanent commercial privileges, even with the redemption of the fund which had first secured them, especially as in another statute of the same session the South Sea Company's continuous privileges, after redemption of its loan to Government, were even more clearly outlined verbally, in case "some doubts may arise concerning the power of redemption intended by the said Act and Charter which might tend to discourage the said Company in expending of such large sums of money as are necessary for new settlements, etc."

Nevertheless, whatever self-gratulation the Company may have indulged in, as we will see in due course, all notion of conferring perpetual trade upon it was disclaimed when Parliament was again petitioned a generation later.

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During this same year of Harley and Bolingbroke's ascendency and Marlborough's flight, the Company besought the House of Commons not to lay additional duties on calicoes, muslins, cottons, tea, coffee and drugs, because by doing so they would be penalising a commerce which was beneficial to the nation. The Company, it took occasion to remind Parliament, "did annually export to the East Indies about £150,000 value in woollen goods and other English products".

Turning our eyes to the Company's settlements in the East, we see that in Bengal for some years past the Nawab's chief ambition has been to squeeze as much revenue as possible out of his people and remit a large surplus to his master at Delhi.[1] While encouraging the foreign merchants, Murshed Kuli Khan was too keen not to perceive that the forty-five factories of the English gave them a certain independence which the Mohammedan merchants did not enjoy, and also that they possessed a great advantage by reason of the firmans and nishans obtained, he said, by means of bribery and corruption, which permitted the Company's men to trade either duty free or for the paltry consideration of 3,000 rupees annually. These favours he resolved, whenever a proper moment arrived, to annul. The opportunity came in 1713, the year following the death of Aurangzeb's successor, Bahadur Shah, and

[1] On Aurangzeb's death in 1707 Azim-u-Shan, the young Viceroy of Bengal, in departing for the West to participate in the war for the succession, left Murshed Kuli Khan (after whom Murshedabad is named) to act both as Nawab and Dewan, *i.e.*, finance administrator.

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of the peace of Utrecht. The former privileges of the English were declared to be no longer in force, and they were ordered in future to consider themselves liable to the same duties and exactions as the Hindu merchants paid. This move evoked the protest of Hedges, who sent at once a catalogue of grievances to Leadenhall Street, soliciting permission to send an embassy to Delhi to complain to the new Emperor Farrukh of the Nawab's conduct. The Company endorsed the proposition, and despatched orders to Madras and Bombay to unite their grievances in the same petition with those of Bengal.

In consequence of this, early in 1714 an order arrived from Aurangzeb's successor forbidding the Nawab to meddle with the English, who were to enjoy all their former favours and privileges. This welcome sunnud was greeted with rejoicings. A *feu de joie* was fired by the garrison, and the Company's servants drank the health of Queen Anne and of "King Farrukh," with fifty-one guns to each health. "After which," they wrote home to the Court, "we drank prosperity to the Honourable Company, with thirty-one guns, and success to their trade, with twenty-one guns more, and all the ships in the road fired at every health; after this at night we ordered a large bonfire to be made and gave our Soldiers a tub of Punch to cheer their harts, we also ordered our Merchaunts to write to their correspondents everywhere of this Husbull Hookum, and how greatly we honour and esteem the King's Gracious favour and what Rejoycings we made out of it."[1]

[1] *Bengal Consultation Book*, 4th January, 1714.

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But something more than a sunnud was desired; an embassy to the Mogul had long been mooted to solicit a "royall Phirmaund". The present seemed a favourable moment to set it afoot.

To Robert Hedges, as Governor of Bengal, was left the nomination of the ambassadors. Two intelligent factors, John Surman and Edward Stephenson, were selected, together with Khoja Sherhaud, a rich Armenian merchant familiar with both the English and Persian tongues. Accompanying the embassy went one William Hamilton, a surgeon, who, although no suspicion of such an eventuality could have entered the minds of any member of the party, was destined to play by far the most important part in the mission.[1]

Bearing with them costly presents, which rumour vastly magnified, the embassy reached Delhi on the 8th of July, 1715, after a three months' march. Here they came into the midst of intrigues, in which the Vizier, the chief Amir and other Court officers were playing a leading part. At first the ambassadors had to be content with interviews with these officials, for the Emperor Farrukh was taken seriously ill

[1] Hamilton, described as a "runaway Scotch doctor," related to the noble family of the Hamiltons of Dalzell, had arrived at Calcutta in December, 1711. In the India Office Records is an entry under date 12th of November, 1709, showing Hamilton to have signed a receipt for £7, being two months' wages paid him in advance for his services as surgeon of the frigate *Sherborne*. From this vessel, owing to trouble between captain and crew, Hamilton deserted and fled. "In the ledger of the *Sherborne*," says Mr. C. R. Wilson, *Early Annals*, "the account of William Hamilton, 'Chyrurgion,' is closed with the scornful word 'run,' and his life's entry might well have closed there, were it not that the Divine Accountant is more long-suffering than man." At Calcutta the Council appointed him second surgeon.

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and could not be seen. In this extremity Hamilton proffered his services to the Court. They were accepted, for the fame of European surgery had run before. Although it was now October the embassy could do nothing but sit down and patiently await the issue. There was another and especial reason of state why the Mogul's recovery was most anxiously desired by the Court; a marriage had been arranged between his invalid Majesty and the daughter of the Rajah of Jodhpur. Hamilton exerted all his surgical skill and his efforts a few weeks later were crowned with complete success. The Mogul's gratitude knew no bounds; he showed Hamilton and his companions publicly marks of his favour. In the presence of the whole Court he pressed his acceptance of "a vest, a culgee set with precious stones, two diamond rings, an elephant, horse and 5,000 rupees; besides ordering at the same time all his small instruments to be made in gold, with gold buttons for his coat and waistcoat and brushes set with jewels".

In the midst of so much rejoicing the Company's ambassadors were fated to wait till Farrukh's marriage with the Rajah's daughter should give them an opportunity for an audience. Meantime, they put their business in the hands of one Duraun Khan, who promised to broach it to the Mogul at the first opportunity. But in spite of this promise delay succeeded delay; their stay at Delhi had lasted eleven months when suddenly the news came that the Company's men at Surat had removed to Bombay in order to escape from the oppression of the Nawab of Surat. Alarm lest the English should

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again make war on the Mogul's ships stirred the Court at last to action. The embassy was received, the required firman granted, and late in May the Company's envoys attended Court to make their farewell obeisance. As they passed in succession before the royal presence to receive their "serpaws" or vests of dismissal, the Emperor made a sign and an attendant whispered in Hamilton's ear that he alone of the four was detained. The audience then broke up, leaving the surgeon in a pitiable state of perplexity. His concern was hardly diminished when he was told that he was taken into the Great Mogul's service. The surgeon appealed to his companions not to desert him. "We were," writes Surman, "assured of his firm aversion to accepting the service, even with all its charms of vast pay, honour, etc." Hamilton had a wife and children, from whom he would be parted for ever; he would certainly endeavour to escape from his enforced detention, and such an exploit would involve an embarrassment for the Company. The trio, therefore, resolved to petition the Mogul that Hamilton should accompany them back to Bengal, but at first it was not easy to gain access to the royal ear.[1] The Vizier finally took up their

[1] "To free our honourable masters from any damage that might accrue to them from the passionate temper of the King, our patron Khan Duraun, was applied to for leave twice or thrice; but he positively denied to speak or even have a hand in this business till our friend Sayid Sallabut Khan had an opportunity to lay the case open to him, when he ordered us to speak to the Vizier, and if by any means we could gain him to intercede, that he would back it."—Letter from the Envoys to John Hedges, 7th June, 1717.

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cause, and, backing their appeal with one of his own, prevailed on Farrukh to grant their request. "Since," said the monarch, "he is privy to my disease, and perfectly understands his business, I would very fain have kept him and given him whatsoever he should have asked. But since he cannot be brought on any terms to be content, I agree to it; and on condition that after he has gone to Europe and procured such medicines as are not to be got here and seen his wife and children, he returned to visit the Court once more, I let him go." And so, after two years at the Mogul capital, the three Englishmen and their Armenian companion set out on their return journey to Calcutta, thanking God that at last "the troublesome business is over".

Albeit, poor Hamilton was never destined to see again his wife and children. With all his gifts and honours—royal testimony to his surgical skill—thick upon him, he died soon after his return. The news of his death was forwarded to the Emperor Farrukh at Delhi, who received it so incredulously that he sent an officer of rank to Calcutta to verify it. Hamilton's tomb may yet be seen in the British capital of India. The stone bears an English epitaph, and a Persian inscription to the memory of this celebrated "physician in the service of the English Company".

In 1719, less than three years after the departure of the Company's embassy from Delhi, the plotters brought about the downfall of the luckless Farrukh. A riot and massacre was precipitated in the city; a band of Afghans forced their way into the harem at night, dragging out the Emperor, amidst the screams

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of the women, and thrusting him into a dungeon. "A hot iron was drawn across his eyes; henceforth he was unfit to reign. A child was taken out of the State prison and placed upon the throne. The kettledrums were sounded at the palace gate. The cannon boomed through the morning air. All men knew that Farrukh Siyar had ceased to reign; that another Emperor was reigning in his stead. Delhi was tranquil." Two months later Farrukh was slain in his dungeon and his remains were buried in the famous tomb of Humayun.[1]

Meanwhile, Hedges had resettled a factory at Cossimbazar, but the Nawab would not permit the purchase of any villages or the use of his mint. For the right of free trade he and his officers demanded 25,000 rupees, and although the Court of Directors believed him to be merely corrupt and avaricious, and deprecated the payment of any large sum, yet Hedges and his emissary Feake in 1717 closed with the demand. The Company was on the whole satisfied with what Hedges had done, yet seems to have considered that a greater display of firmness would have saved 15,000 rupees. Afterwards of Hedges it wrote that "in the last stage of his life he seemed to flag". He died in 1717, his "only epitaph" being found in a brief paragraph of a letter from the Company to the Calcutta Council:—

"We are concerned for Mr. Hedges' death, and were in hopes he would have lived to return to England, that we might have told him how well we

[1] Wheeler, *Early Records*; Scott's *History of the Successors of Aurangzeb*.

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accepted his services in retrieving many of the evils which befel our affairs during the indolent and supine administration of his predecessors."[1]

In the meantime the question of private trade for the Company's servants began to take on a renewed importance. The Company recognised that the salaries it paid its servants were merely nominal,[2] and allowed them to "improve their fortunes" by private trade. But as this private trade, although limited to India, or in the case of Europe to a few articles such as precious stones, involved the use of shipping, the amount of shipping required for the private trade began seriously to interfere with the Company's business. Thus it was the recognised ordinary business of the Company to employ large ships of 300 or 400 tons burden and send them to India at the beginning of each year, with cargoes of cloth, hardware and bullion. On arriving in Bengal in July or August these cargoes were discharged into the Calcutta warehouses, and taken on board the annual investment in piece goods, silk and saltpetre sailed for home at the beginning of the ensuing year.

On the other hand, the coast trade had gradually come into the possession of the Company's servants, who were sole or part owners of a number of 100-ton ships, trading from the Bay to Surat and Persia. As this local traffic grew, the servants began to cast longing glances at such ships of their masters as lingered in enforced idleness in harbour. The Com-

[1] Wilson, *The English in Bengal.*

[2] As they continued to be in spite of Clive's and Hastings' recommendations until after the passing of Pitt's bill in 1784.

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pany soon found it profitable to rent these out, claiming and receiving a share in the benefit of the freight voyages on their return. In 1710 a new plan was adopted ; the Company became persuaded that it was more advantageous to conduct a regular freight business for the coast traders, charging ready money on a regular scale. The result of this plan was that all the large ships were suddenly employed in carrying freight at low rates. The factors saw their private business seriously interfered with, and were naturally reluctant to obey orders from home with regard to letting out the ships from Europe on freight voyages. The Company grew suspicious, then indignant, then angry. For example, in 1712 it was ordered that notification should be given of the *London's* proceeding on a voyage to Surat, and the directors confidently looked forward to a full cargo. But the *London* was effectually delayed for months, while its servants' ships were loaded; and the Company showed by its remonstrance that it was not unaware of the true reason for the delay.

The agitation continued, and in 1717 we find the Company's servants in Bengal addressing the following remonstrance to their masters: "The Honourable Company, our Masters, are pleased to indulge their Covenant Servants and such persons as are licensed to reside in India by them with the liberty to trade without restraint, provided it does not in anywise interfere or prejudice their Affairs and We cannot see that having the Trade free and open to Surat or Persia can be of any pernicious Consequences to them or to their affairs in the article of

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Freight, since it is a Standing Order not to be broke through that when one of their ships is set up for any freight Voyage she must have the preference in all respects before any other Ships can agree for a Bale; and in case any Clandestine proceedings are made contrary thereto the Company have given full instructions how they are to be dealt with who are the Agressors; therefore we cannot see any reason for such fear, seeing no one is ignorant of the Penalty: but after she is full freighted we cannot see any Damage can accrue to our Honourable Masters by setting up a ship."[1]

Although this remonstrance was not very effectual, yet private trade on the part of the servants continued to increase. So did the export of Indian cottons and muslins, and the Company was content.

In its Indian settlements between 1720 and 1740 the Company's affairs were not marked by any event of especial prominence. It was during these years of moderate trade and moderate profits that the French were effecting a firm foothold in the peninsula, an object for which they had long striven. This was observed with considerable jealousy by the Company's servants, who, as Englishmen, had often had reason to appraise highly, and dread in like measure, the ambition, the passionate zeal and the intriguing capacities of their new rivals, who were to step into the shoes vacated by the Dutch, who in turn had succeeded to the power of the Portuguese.

[1] This Remonstrance is dated 12th December, 1717.

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CHAPTER III.

The French Flourish the Torch.

IN 1716 green tea first began to be used in England, before which period Bohea was used in polite circles.[1] But whatever the variety of the leaf, the growing popularity of "the cup that cheers but not inebriates" could only enrich the Company's coffers.

Early in the eighteenth century the Company's trade with China was not secure at any one port: a ship was sent to Ningpo or Chusan, or if not to Chusan, to Amoy or Canton. Another was sent to Pulo Kondor and Amoy or to Canton *viâ* Surat; another to Pulo Kondor, Amoy and Macao.[2] But by the year 1715 regular trade was established with Canton. At stated seasons ships, each having its own supercargoes, were despatched thither for the purpose of selling the outward cargoes and investing the proceeds in tea, silks and other products of China. When the trade was still in its infancy at the principal port of Canton an attempt was made by the Chinese authorities to carry on the entire commerce there through the "Emperor's merchant," a native

[1] Oh, had I rather unadmired remained
In some lone Isle or distant northern land;
Where the gilt chariot never marks the way,
Where none learn ombre, none e'er taste Bohea!
—POPE, 1712.

[2] Auber.

who paid a large sum of money for the exclusive privilege of trading with all Europeans. This was largely protested against by the other merchants and the local authorities at Canton. The so-called "Emperor's merchant" was wholly unfitted for trade, he had literally no goods; and the others were debarred selling on account of his patent. The English determining to advance no money, the Emperor's merchant finally allowed others to trade, upon payment to him of something like 5,000 taels per ship.

The origin of the 4 per cent. duty which followed is thus described in a letter from the chief factor at Canton to the Company:—

"This 4 per cent. is an imposition lately crept upon us by the submission of our predecessors the two preceding seasons. One per cent. of the four is what has been usually given by the Chinese merchants to the linguist upon all contracts, and the linguist was used to gratify the Hoppo out of this sum for his employment. The other three were first squeezed from the China merchant, as a gratuity for upholding some particular man in monopolising all the business, and this used to be given in a lump, so that by undervaluing the goods and concealing some part they used to save half the charge; but to show how soon an ill precedent will be improved in China to our disadvantage, the succeeding Hoppos, instead of the persuasive arguments such as their predecessors used, are come to demand it as an established duty."

At a little later date (1720) we arrive at the foundation of the famous Hong Society. The native

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merchants, with whom the supercargoes transacted business, then resolved to form a body for the purpose of agreeing upon the prices of the goods sold to them.

In 1722 the Court of Directors stated in their orders to the supercargoes concerning liberty of trade:—

"This article is likely to be more necessary and strenuously to be insisted on now than ever, for our last return supercargoes have brought us a draft of the combination which the Chinese were forming to set their own prices on the goods to be sold, Europeans thereby to have their proportions of the real profit on the said goods whoever appeared to be the seller."

The continued impositions attempted by the local authorities at Canton induced the supercargoes in 1727 to address a letter to the head merchants, stating that additional hardships were being brought to bear upon them every year by the mandarins, and that if persisted in they would carry off their trade to Amoy.[1]

[1] A characteristic incident is recorded about this time, exhibiting the constant suspicion to which the Company's servants were subject, and a sample of outrages constantly recurring until the close of the Company's connection with China in 1833:—

The Hoppo's officer near Whampo, nearly fourteen miles from Canton, met with an accidental death. Whereupon two of the mates of the *Cadogan* were seized and four of their inferior officers while walking near the factory at Canton, while Chinese soldiers were on the lookout for any of the supercargoes. These latter were advised to keep within the factory, but they thought it time to complain to the Hoppo, and so their representatives stated that unless redress was made immediately they should recommend the Company to transfer its commerce from Canton to some other port. This produced the desired result, and the mandarin who was guilty of the affront was taken from office and a promise was given that he should not again enter the Emperor's service.—Letter from Canton, 1721.

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The matter was settled by the Hoppo's agreeing that no more duties should be paid, "either for ships measurage or goods inwards, than what was set down in the Emperor's book".

In 1728 an additional duty of 10 per cent. was laid on all goods by the authorities at Canton, and in the following year the supercargoes resolved to have a personal interview of remonstrance with the Viceroy. The Madras, Bombay and French traders at Canton joined them. They made every effort to see the Viceroy in person, but without success. Special appeals to the authorities from time to time were rewarded with partial relief, but the system of imposition was carried on.

On another occasion, when attempting an interview with the Viceroy, the Company's servants were met by a considerable mandarin whom the Viceroy had ordered to attend and hear them. He affected to be annoyed at their troubling him with so trifling an affair, instead of applying to the merchants for a hearing. Ultimately he agreed to make what abatement was reasonable on certain silks, but bade them never to trouble him again on any such frivolous occasion.

For some years we see the Company's supercargoes persevering in their appeal to the Court of Peking to obtain a remission of the unfair and tyrannous 10 per cent. duty, but without avail.

Meanwhile, all England was in a vortex of finance. The South Sea Company in 1717 had advanced to Government £5,000,000, at 6 per cent. Three years later it offered to take over the entire national debt:

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Parliament accepted the offer; stock in this Company became grossly inflated and half the nation turned gamblers. At last the bubble burst and thousands found themselves ruined. In December, 1720, the Prime Minister, Walpole, laid a proposal before the House of Commons "to restore public credit," namely, by the simple device of engrafting £9,000,000 of South Sea stock into the Bank of England and the like into the East India Company. Thereupon a committee was appointed to receive proposals from both Companies. But the proposals were not entertained.

About the same time, the interference of the Ostend East India Company, and "many other difficulties did at this time oblige the Company to reduce their half-yearly dividend from 5 to 4 per cent." Not until nine years afterwards was this terrible bugbear of a Belgian Company, chiefly served by Englishmen,[1] abolished by the fifth article of the Treaty of Vienna.

In 1726 King George I., upon the petition of the Company, granted it a new charter of confirmation, with ample powers for it to erect corporations at Madras, Bombay and Calcutta, with a common seal, power to make bye-laws, and to try civil and criminal cases.

In the year following, the Mayor's Court, which had for some time been in abeyance at Madras, was re-established, the occasion being marked with

[1] In 1721 George I. assented to an Act for further preventing his subjects from trading illicitly to the East Indies under foreign commissions.

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a ceremony, which once again shows the place possessed all the rudiments of a sovereign community in India.[1]

In 1730, the term for the redemption of the Company's capital and of its exclusive trade drawing near to the date mentioned in the Act of 1712, a certain band of capitalists thought the occasion opportune to raise a clamour against a renewal, and at the same time to forestall the Company in a petition to Parliament.[2] Accordingly, in February we find them presenting proposals in the House of Commons for a new East India corporation. They offered to advance £3,200,000 sterling for the purpose of redeeming the fund of the Company, by five several payments, ending at Lady Day, 1733, provided that they "might be incorporated, and in

[1] Thus we read that—

All the gentlemen appeared on horseback on the parade, moving in the following procession to the Company's garden-house:—

Major John Roach on horseback at the head of a Company of Fort Soldiers, with Kettledrum, Trumpet, and other music.

The Dancing Girls with the Country music.

The Pedda Naik on horseback at the head of his Peons.

The Marshall with his staff on horseback.

The Court Attorneys on horseback.

The Registrar carrying the old Charter on horseback.

The Sergeants with their Maces on horseback.

The old Mayor on the right hand and the new on the left.

The Aldermen two and two, all on horseback. Six halberdiers.

The Company's chief Peon on horseback with his Peons.

The Sheriff with a White Wand on horseback.

The Chief Gentry in the Town on horseback.

[2] Anderson, *Parliamentary History*.

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all respects vested with the exclusive privileges and trade of that Company".

Yet they did not seek to trade solely on the joint stock system, but desired the India trade should be thrown open to all His Majesty's subjects who were prepared to pay one per cent. on the value of their exports, after taking out a licence from the new Company. A list of benefits which the nation would enjoy from such a revolution in the manner of conducting its Indian commerce was set forth, both in and out of Parliament. But their logic and eloquence, with that of their army of paid pamphleteers, was wasted; at Walpole's instance the House of Commons rejected the petition.[1]

This rejection did not altogether silence the opposition. "They therefore," says Cox, in his *Life of Walpole*, "resolved to introduce the business again, and employed the intervening time in publishing anonymous letters, essays in periodical papers and pamphlets, against exclusive companies in general and particularly against the East India Company. . . . The Ministers and the East India Company were not on their part silent; they likewise defended, with no less skill, the advantages of an united Company, vested with exclusive privileges

[1] The causes of rejection were: (1) The risk of turning the East India trade into a new channel; (2) the uncertainty whether the proposed subscription would duly appear; and (3) the doubt whether by the new method of a regulated trade, the nation's general commerce to India might not be damaged. "For who can foresee all the advantages which other European nations trading to India would be able to gain over us by this alteration, or the hurt our trade might receive from the Indian princes."—Anderson, *History of Commerce*.

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and bound by peculiar regulations, under the control of the legislature." The petition, when again presented on 9th April, was rejected without a division.

The juncture was now favourable for a bill to prolong the Company's monopoly, and this was accordingly brought forward by the Prime Minister. It was duly enacted that the Company's "present yearly fund of £160,000 be reduced to £128,000, *i.e.*, that the nation's payment of interest to the Company should be reduced from 5 to 4 per cent." And in addition the Company should pay a lump sum of £200,000, "by which bargain the nation was benefitted to the amount of at least a million." In return the charter was prolonged to Lady Day, 1766, three years then to be given before the exclusive privileges of trade should terminate.[1]

The Company had been obliged to pay heavily as usual for its continued monopoly, and in consequence of this inroad upon its funds we find it again reducing its half-yearly dividend from 4 to 3½ per cent. at Christmas, 1732. Yet its trade was still flourishing, and seventeen ships sailed from India during a single year.

[1] Anderson remarks that there was in this Act only a single clause of any importance which had not figured in any former statute relating to the Company, "arising from a doubt maliciously and unaccountably started by the Company's enemies, whether the three years' notice should be fully expired before they lose their exclusive privileges". The clause in question therefore enacted, "That upon the expiration of the said three years, and repayment etc., their exclusive right shall cease".

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To illustrate the manner in which upon occasion the Court of Directors were overborne by the proprietors of stock we may cite the matter of the dividend of 1733. It will be recalled that the Court, owing to the large sum paid to Government and the abatement of interest on account of its charter, decided to reduce its dividend by 1 per cent. It now decided upon another and further reduction of 1 per cent. Nevertheless, such at this time was the perversity of the Court of Proprietors, that although their directors reacquainted them of their remaining firm in their former opinion, that not above 3 per cent. could be prudently divided for the then current half-year, the ballot determined it by above two to one for 3½ per cent., even though they were then likewise told that the secrecy "proper to be observed by great trading societies can very seldom, if ever, admit of particular calculations to be laid before such popular assemblies as general courts; and although they well knew that their directors were at least as much interested as most other proprietors in keeping up the dividends on their stock".

It was as if a Chancellor of the Exchequer were forced to cancel his Budget, even though it had the approbation of the Cabinet, at the behest of an unenlightened House of Commons. Already it showed a beginning of that ignorant exercise of power on the part of the proprietors which, in the course of a generation or so, was to cause much and grave trouble to the Company.

Meanwhile, as to the annual dividend, we may note that it was not until 1755 that the loss of

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Madras and other events rendered necessary a reduction from 8 per cent. to 6 per cent.

Amongst other important domestic matters early in George II.'s reign, the Company was deeply concerned in what became known as the Great Naish Case, implicating its servant, James Naish, chief supercargo in China.

Naish was accused of having imported 2,000 pieces of gold, amounting to £100,000, without paying a duty of five per cent. for the same. This he denied, and insisted that no such duty was due by law. The jury found that Naish had imported 365 pieces of gold, value £26,864, and the question of law was left to the decision of the Court, which was of the opinion that no such duty was due.

In November, 1735, the case was again in Court, and the question to be decided was whether a £20,000 deposit made to the Company by Mrs. Naish in her husband's absence should be returned or not. The Lord Chief-Justice and Justice Carter were for returning it, Comyns and Thomson were against it, and thought the Company should keep the money in its hands until the lawsuit was settled. Sir Robert Walpole was with these latter, and declared his opinion in favour of the Company.

Not until 1739 was the lawsuit against Naish concluded. It was agreed that the East India Company should pay him £28,000, from which he was to allow £500 for law expenses and to give a bond of £10,000 not to trade to the East Indies either in the British or foreign service for seven years.

We have seen that the trading establishments of

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Continental nations had earlier in the century occasioned some anxiety in the breasts of the English, but the capital of the French East India Company was too small for it ever to have extricated itself alone from its embarrassments. But in 1737 the new Minister of Finance, M. de Fulvy, took the company under his protection, increased its capital and doubled its returns, so that at the public sales in 1742 twenty-four millions of livres (£1,000,000) was produced, and the first ships that arrived in the following year brought home a still richer and more valuable cargo. This sudden and singular change in the French Company's affairs "alarmed and amazed all Europe," but especially did it alarm the directors in Leadenhall Street, who "saw with infinite concern, a company that but a few years before was looked upon as entirely sunk and destroyed now rising into high credit". But while they were thus regarding the French, war was declared between France and Great Britain. Louis needed all his ships and money: and M. Orry notified the French Company that they must "stand now upon their own bottom". Lacking the royal support, the French Company's shares fell instantly 20 per cent. and dividends ceased.

It was at this time that the British Government, much pressed for money to prosecute the war which was setting all Europe aflame, turned to the Company. They found it willing to bargain for a continuation for fourteen years longer of its present monopoly (*i.e.*, from 1769 to 1783). It agreed to lend £1,000,000 sterling to the Government at 3 per cent.,

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to be paid out of the excise. To make this advance the Company was given power to borrow money on its common seal and a million of new bonds was duly created. The entire debt now due from the nation to this Company was £4,200,000 redeemable upon one year's notice after Lady Day, 1745. Yet, notwithstanding such redemption, their monopoly should extend to three years' notice after 1780, when its exclusive rights, but not its existence as a Company, should cease. Doubly secure of its interests within the kingdom, the Company now prepared to attend to its interests abroad.

The French Company, deprived of the royal fleets and trembling for the safety of Pondicherry and the other French factories, came forward with a proposal for neutrality between the traders in India. At first Leadenhall Street was not indisposed to listen to this suggestion; but at length, realising its strength abroad if backed by the Government, rejected it. The business of commerce at the factories was thus in consequence quickly to give way to the business of war.

War could hardly in any case have long been delayed. Almost every province in India at this period was ripe for a bloody revolution. After Farrukh's tragic death the Mogul Empire was felt to be travelling swiftly to its end. His successors abandoned themselves to concubines and buffoons, leaving the Government to be administered by corrupt and unscrupulous Ministers. In 1739 the Empire of Akbar and Aurangzeb, which was only held together by the prestige of their names, re-

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ceived a mortal blow. Nadir Shah of Persia advanced with a great army upon Delhi. He was opposed only by mobs and by the bribes of Ministers. To one of these, who offered him £2,000,000 sterling, the Persian monarch listened, and turned his face back again towards Teheran, until another, out of spite, hinted to him of the contents of the vast treasure house of Delhi. The capture and sack of the Mogul capital was the signal for the Empire's downfall. The provincial governors asserted their independence and discontinued their remittance of the revenues, Mahrattas took to plundering the Deccan and the Carnatic, spreading their depredations to Orissa and Bengal. The Nawab of Bengal was overthrown in 1742 in a revolution and slain, and was succeeded by his rival, Aliverdi Khan. These events caused the markets generally to be deserted; the lands were untilled and the whole country lay in ruin.

At Calcutta, in 1744, came the news of the outbreak of the war between France and England. Peace between the English and French in Bengal was only secured by the stern prohibition of the Nawab. But, if war was postponed in Bengal through the strength of Aliverdi Khan, the Madras Presidency was less fortunate.

The potentate of the Deccan or of Hyderabad, whose full title was Nizam-ul-Mulk, or "Regulator of the State," was an able man who had served in the armies of Aurangzeb. The new Nawab of the Carnatic had duly succeeded his father, without paying any regard to the Nizam's claim to make the

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appointment as over-lord of the Carnatic. His kinsman, Chunda Sahib, who had seized on the Hindu kingdom of Trichinopoly, was abandoned to the Mahrattas, who captured the capital of that province and carried off Chunda Sahib a prisoner. Although the Mahrattas left the Nawab of the Carnatic in sore straits for men and money he nevertheless continued his defiance of his sovereign lord, the Nizam, who now threatened to dethrone him if the tribute demanded were not forthcoming. Driven thus to extremities, the Nawab prepared for his defence; he repaired to the stronghold of Vellore and sent on his harem and treasure to Madras. Scarce had he accomplished this and begun himself to levy taxes for the war when he was murdered by a kinsman, Mortiz Ali, who instantly proclaimed himself Nawab. But the murder outraged public feeling: Arcot, the capital of the Carnatic, refused to acknowledge him; the Mahrattas at Trichinopoly declared against him, and the Company's servants at Madras declined to surrender into his hands the women and the treasure of the murdered Nawab. Dozens of candidates for the throne now sprang up in every part of the Carnatic, but disregarding all these claims, the Nizam, advancing at the head of a mighty army of 80,000 horse and 200,000 foot, nominated one of his own generals. But the people wanted the young son of the late Nawab, and promptly poisoned the Nizam's choice. The Nizam was thereupon prevailed upon to yield to the popular clamours; he acknowledged Sayid Mohammed as Nawab of the Carnatic, and appointed Anwar-ul-din as his

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guardian. The new Nawab's reign was brief. In June, 1744, during the progress of some wedding festivities at Arcot, a band of mutinous Afghans, probably instigated by the scoundrelly Mortiz Ali, and perhaps also by the royal guardian, found means to enter the palace, where their leader stabbed the young Nawab, the last of his dynasty, to the heart. For this the murderer was instantly cut to pieces, the suspected Mortiz Ali fled, and Anwar-ul-din became the new Nawab of the Carnatic.

Following these bloody transactions tidings that an English fleet had appeared off Madras were borne both to the new Nawab and to the French at Pondicherry, a hundred miles to the south of Madras. In charge of the French settlement at Pondicherry was a man of immense ability, ambition and ingenuity, Joseph Dupleix, the son of one of the directors of the French Company, and then in the forty-sixth year of his age. Dupleix saw in this English fleet the destruction of Pondicherry if he did not obtain the assistance of the Nawab or receive reinforcements from home. He therefore induced Anwar-ul-din to follow Aliverdi Khan's example and to prohibit hostilities between Europeans in his territory, in consequence of which the English were restricted to a few petty captures at sea, and then sailed away. But the very next year it was the French themselves who set the Nawab's mandate at defiance. A fleet arrived from France with 3,600 men, under command of La Bourdonnais, and lost little time in bombarding

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Madras,[1] which then held only about 300 English. The fleet which had been sent out from England to protect the Company's forts did not appear. Madras was doomed.

It was during this siege of Madras by La Bourdonnais that the first sepoys on the Coromandel Coast were trained for the Company's service. The French at Pondicherry had some time before this raised several corps of European-drilled natives, and the system was first introduced into the Company's territory here by Lieutenant Haliburton, who had abandoned the civil for the military employment.[2]

After sustaining a five days' bombardment Fort St. George capitulated on 10th September, 1746,

[1] The capture of Madras was a foregone conclusion. Hamilton, writing in 1727, observed: "It is a colony and city belonging to the English East India Company, situated in one of the most incommodious places I ever saw. It fronts the sea, which continually rolls impetuously on its shore more here than in any other place on the coast of Coromandel. The foundation is in sand, with a salt water river on its back side, which obstructs all springs of fresh water from coming near the town."

It was in vain that the project of strengthening its defences had been repeatedly mooted both in India and Leadenhall Street; Fort St. George was the sure prey of well-directed artillery.

[2] In 1748 Haliburton was shot by a fanatical recruit, but so great was the devotion of the others to their officer that the murderer was instantly cut to pieces. Haliburton's name was long cherished by the Madras sepoys. The latter were first actively employed with Clive at Arcot; the Bengal Native Infantry being formed in 1757. These Indian recruits were at the outset chiefly commanded by native officers, one of whom, Mohammed Esof, greatly distinguished himself in the early campaigns. The rank and file were either Mohammedans or high-caste Hindus, chiefly Rajputs. These native troops were not, however, the first in the Company's service, as such had previously been employed at Bombay and elsewhere.

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La Bourdonnais pledging himself to restore Madras to the Company on payment of a fixed ransom of £440,000. Immediately on his entry he took the persons, houses and property under his protection, and possessed himself of the magazines and warehouses of the Company. But this mild proceeding was by no means to the taste or temper of Dupleix.

While giving the Nawab to understand that Madras should be made over to him, he insisted that La Bourdonnais should violate the conditions of the treaty of capitulation and retain Madras permanently. But La Bourdonnais shrank from conduct involving such a breach of faith and honour; a quarrel ensued, and the French admiral sailed for home to answer the misrepresentations made by his enemy to the King. On the way he was taken prisoner by a British man-of-war and landed in England. His upright behaviour had won him many friends; his reception was favourable, and a director of the Company offered to be security for him with his person and property. But the Government, with politeness and magnanimity, demanded no other security than the word of La Bourdonnais, and he was allowed to return to France, where his enemies caused him to be flung into the Bastille. The unhappy Frenchman perished miserably three years later.

The Nawab, rendered angry by Dupleix's overbearing conduct, sent an army to drive the French out of Madras; but this army was no match for the French guns, and took to its heels. Dupleix gave orders to his officers at Madras to lay hold of every article of property, public or private, native or Eng-

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lish, save clothes and furniture, and the "jewels and trinkets of the women". He was obeyed, and the Company's Governor and many of the leading servants were carried prisoners to Pondicherry and there exhibited to the natives in triumph. This exploit naturally made such an impression on the Nawab as to induce him to change sides and assist the French to capture Fort St. David. But three efforts ended only in failure, and the arrival in March, 1747, of an English squadron, caused Dupleix to fear for the safety of Pondicherry.

In this year the Court of Directors resolved to appoint a capable commander of its rapidly augmenting forces of English and natives in India. Major Stringer Lawrence was the officer so selected. In January, 1748, Lawrence arrived at Fort St. David, with a commission to command the whole of the Company's forces in India. Besides a large addition to the land forces, some 4,000 men, nine further fighting ships under Admiral Boscawen arrived. Pondicherry was besieged, but after a month the siege was abandoned.

In the midst of these operations came news from Europe of the signing of peace at Aix-la-Chapelle. Reluctantly, under the terms of the treaty, Dupleix was forced to give back Madras to the Company. But though strife in Europe was thus for a brief term brought to a close, in India the struggle for supremacy between the two great nations had just begun. The country, rent by internal tumult, was tottering to its fall. The Mogul authority, which may be said to have received its death-blow by the sack of Delhi,

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in 1744, by Nadir Shah, had already expired in the principalities of Tanjore, Madura and Mysore, which were held by Mahratta rulers, and was virtually extinct in the provinces held by the Nizam of Hyderabad and Subahdar of the Deccan. To the latter prince the Nawab of the Carnatic was regarded as feudatory, in the same manner as the Company nominally held its factories at Madras and Fort St. David of the Nawab Anwar-ul-din.

Now rises the curtain on the fierce and bloody rivalry between French and English for the possession of India. But had there been no Frenchmen in this quarter of the world, it was inevitable that the Company should be drawn into the disputes of the native powers. Had there even been no such disputes, its possession of trained soldiers and arms would have constituted a sore temptation to resist any despotic measures on the part of the natives. When the Court of Directors, alarmed at the French Company's encroachment and aggression, and thinking to stop it further, sent out Lawrence and a regiment to India, they more surely laid the foundation for a dominion of the sword than they had done in 1688. After this, we will see that for nearly a century a policy of peace in India would have meant British extinction; either the Company's rule falling before the turbulent natives, or its replacement by the authority of the French.

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CHAPTER IV.

Saunders sets Young Clive a Task.

"The servants of the East India Company," observes an eighteenth century writer, "had not yet extended their ambition to the renown attainable by feats of arms. Confined within the circle of a few miles of sandy beach round Madras, the Presidency neither created jealousy nor commanded respect. Though they had been indulged with the privilege of fortifying themselves, they had neglected that first of all duties, self-defence. They had works, but such as seemed rather built by chance than by design. They had bastions, but they were placed contrary to all rule; and the curtain was no better than a long unflanked garden wall."[1]

But the lesson of the fall of Fort St. George was not lost upon the Company. During the French occupation the Governor, Nicholas Morse, was called to England by the directors, and plans drawn up for new fortifications when Madras should revert to them, as they hoped it would do at the end of the war. Meanwhile Fort St. David at Cuddalore was regarded by Governor Floyer as well-nigh

[1] *The History and Management of the East India Company*—an attack on that body instigated by Mohammed Ali, Nawab of the Carnatic, and written by James ("Ossian") Macpherson, anonymously, in 1778-9.

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impregnable, since so many attempts directed against it had failed. The news of the treaty of peace, as well as the presence of Admiral Boscawen and a British squadron, seems to have inspired Floyer and his Council with a considerable sense of power, as well as security. Add to this the return of Major Stringer Lawrence and his English troops in the pay of the Company to a life of idleness at Fort St. David, and we are in a position to understand why the Council, of which Lawrence was a member, was not altogether proof against the temptations to a profitable military and political activity which such a situation offered.

In February, 1749, while all was outwardly peace in the Carnatic, Suhaji, a member of the reigning family of the principality of Tanjore, who had been expelled from the succession by his illegitimate brother, Pertab Singh, applied to the representatives of both the English Company and the English King for aid in recovering his throne. The Presidency had previously supported Pertab Singh, but the offer which his rival made, through his over-lord, the Nawab, appealed irresistibly to Floyer and Lawrence, and fully as much to the King's officer, Boscawen.[1] The offer was that in return

[1] "Since you have employed your troops in assisting Governor Morse at Madras, and sent your son, Mahommed Ali Cawn, with a well-appointed army to the assistance of Governor John Hind, and preserved Fort St. David from destruction, and during the siege of Pondicherry supplied the English army with provisions, etc., etc., . . . it is our duty to render every service to your Excellency. Pertab Singh is an usurper of the country of Tanjore and your subject; as Tanjore is dependent on the Carnatic. At your request we will send

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for being placed on the throne, Suhaji would cede to the Company the fort and surrounding territory of Devi Cottah, near the mouth of the Kolrun river, and in a most advantageous commercial situation.

Fired with enthusiasm at the prospect, the Council closed with the offer, and, accordingly, in April, a small English and sepoy force marched from Fort St. David into Tanjore and attacked Devi Cottah. The first attempt failed, but another expedition was quickly fitted out, and after considerable hard fighting, Pertab Singh came out and offered terms. He said he was willing to yield the town, fort and harbour to the Company, together with the adjacent territory, of his own free will and accord, provided the English, on their part, would renounce the alliance and support of Suhaji, and also deliver up his person. This was certainly a singular proposition, and Floyer and his Council hesitated. But the advantages of possessing such a station as Devi Cottah outweighed their scruples, and the terms of the Rajah of Tanjore were complied with. Thus the affair ended in the cession of Devi Cottah to the Company by Pertab Singh, with as much land adjoining as would yield an annual income of 36,000 rupees. Moreover, the Rajah agreed to

our army with you to reduce Tanjore under your government, or, if you think proper, to appoint Gattcar, descended from a good family, to be your representative there. Pertab Singh has not the shadow of right to that country, and if you will be pleased to make over Devi Cottah to the Company, they will with gratitude accept it. I will despatch two ships with warlike stores to that place, and Governor Floyer will despatch an armament by land."—Boscawen to Anwar-ul-din.

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pay the expenses of the war, and to grant Suhaji an annual stipend of 4,000 rupees, on condition that the English should be responsible for his person and behaviour.[1]

It was at the siege of Devi Cottah that a young writer of the Company's service, Robert Clive, first attracted attention. This youth of twenty-four, whose name was destined to be handed down to posterity as one of the chief builders of our Indian Empire, was born in 1725 in a small parish in Shropshire. At eighteen Clive was appointed to a writership in the Company's service at Madras, where he, a born soldier, found the duties of servant to a purely trading company most uncongenial, so much so that, on one occasion, a prey to melancholy, he sought escape in suicide. But in the new sphere of the Company's operations

[1] "The President having received a letter from Major Lawrence at Devi Cottah, in answer to the proposals sent to him on the 28th inst. to make to the ambassadors towards forwarding a peace, which were rejected by them; that they were highly incensed at the article of allowing a maintenance for the support of Suhaji Rajah, and insisted strongly upon his being delivered up to them; but that after a long conference they had offered the following proposals, which Major Lawrence writes the President he believes to be the best terms they can be brought to:—

"To pay one lakh of rupees on account of the expenses of the expedition.

"To give a grant of the fort of Devi Cottah to the Company for ever, with lands about it, to the yearly value of 9,000 pagodas.

"Upon the receipt of the above letter, he laid the same before General Boscawen and Mr. Prince; and Major Lawrence writes that it is his opinion no better terms could be obtained, and those made being very advantageous to the Honourable Company, it was agreed upon by them to accept the same, and a letter was wrote to that purpose to Major Lawrence last night."—*Fort St. David Consultation Book*, 30th June, 1749.

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he soon perceived the wider possibilities of the situation. Clive threw down the clerk's pen to take up the sword. Officers being sadly wanted, he was granted a temporary commission as ensign during the siege of Pondicherry. The siege proving a failure, Clive was again employed at the ledger; but his bearing had already won him the approval of Major Stringer Lawrence, the new commander of the Company's forces at Madras, and in the second expedition against Devi Cottah he was given the rank of lieutenant, and behaved with signal bravery.

Questionable as were the means by which Devi Cottah was acquired by the Company, of the great advantages to be derived from it there seemed no doubt. Such advantages were not possessed by any other port along the coast from Masulipatam to Cape Comorin, in addition to which the neighbouring territory was fertile and healthy. It constituted the first example and the first fruits of the Company's wars which were to end in the conquest of India. The Presidency had got the promise from Pertab Singh of a pension of some £400 a year for Suhaji. Pertab Singh had insisted on Suhaji's surrender into his hands. Floyer hesitated to comply with such a request; Admiral Boscawen refused it. As it was deemed unwise to offend the ruler *de facto* of Tanjore, a secret article was inserted in the treaty that the Company "should prevent the Pretender from giving any further molestation to Pertab Singh, to insure which it was necessary to secure his person". Luckily for himself Suhaji escaped, and lived to enjoy his pension; but his

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uncle, Gatika, who also possessed aspirations to the throne, it was thought prudent to detain for some years under surveillance at Fort St. David.

Madras, now restored to Lawrence, was filled with English soldiers; Pondicherry was filled with French. The officers on both sides only waited for a signal to display their skill and courage. As a method of evading the treaty of Aix-la-Chapelle they resolved to fight, not as partisans of the two nations, but as auxiliaries and supporters of the rival native princes. Neither had long to wait. A double opportunity for his consuming ambition had already revealed itself to Dupleix. In 1748 Nizam-ul-Mulk, the last really great ruler of the Deccan, died at Hyderabad at the great age of 104, and his death was immediately followed by a war for the succession, between his son Nazir Jung and his grandson Muzafir Jung.

At the same time, in the Carnatic, the unpopularity of the Nawab, Anwar-ul-din, had induced one Chunda Sahib, son-in-law of the former Nawab, to contest his right to the throne. The two pretenders met and entered into negotiations; Dupleix, grasping the situation, offered the services of the French, as an alternative to calling in the help of the Mahrattas. An alliance was forthwith agreed upon, and espousing Chunda Sahib's cause first, Dupleix sent 400 Frenchmen and 2,000 of his trained sepoys into battle at Ambur on the 3rd August, 1749. The troops, at first commanded by M. de Auteuil, were, on his being wounded, led by the able Bussy. Victory crowned his arms, Anwar-ul-din was slain, his troops fled in

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confusion, and the conquerors marched to the capital city of Arcot, which surrendered in a panic. Here Muzafir Jung proclaimed himself Nizam of Hyderabad and Chunda Sahib Nawab of the Carnatic. In the battle one of the late Nawab's sons was taken prisoner, while the other, Mohammed Ali, of whom we shall hear much hereafter, fled for his life to the fortress of Trichinopoly, from whence he addressed an earnest appeal to Charles Floyer, the Company's Governor at Fort St. David, to come to his rescue.

The two monarchs whom Dupleix had assisted to establish now proceeded to Pondicherry, where Muzafir Jung conferred on the French the lordship of eighty-one villages adjoining the French territory, in imitation of the grant the Rajah of Tanjore had, as we have seen, just bestowed upon the English. It was arranged that a march should be made upon Trichinopoly, from whence Mohammed Ali, the rightful Nawab of the Carnatic, was sending repeated appeals to the Company's Council for succour. During a delay which occurred Dupleix, incensed against Pertab Singh for having yielded Devi Cottah to the English, despatched his new Nawab, Chunda Sahib, who was himself eager for plunder, with a French force to Tanjore. Hostilities were averted, but in the end it cost the ruler of that principality a huge indemnity to get rid of the invaders.

Dupleix, having succeeded in making a French Nawab of the Carnatic, was hoping for an opportunity to place a French Nizam on the throne of Hyderabad. Meanwhile Floyer and his Council hesitated about complying with Mohammed Ali's

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request before they had received orders from the Court of Directors. At this juncture there came a sudden change in the posture of affairs.

In the war for the overlordship of the Deccan the succession was disputed between the late Nizam's son, Nazir Jung, and his grandson, Muzafir Jung. Thinking the latter's chances more favourable, Dupleix had resolved to support him. News now came that Nazir Jung had established himself on the throne of Hyderabad, and that his nephew was being carried about in his train in irons. The new Nizam and Mohammed Ali, their forces united, were marching into the Carnatic at the head of an immense army. Moreover, Nazir Jung, joined by all the rajahs and petty princes of the Carnatic, found natural allies in the English, to whom an opportunity was presented of foiling the schemes of Dupleix. As the army approached, Chunda Sahib and his French allies retreated hastily to Pondicherry, where Dupleix, summoning his whole European and native strength, prepared to defend himself to the last gasp.

The problem presented to Lawrence and the Company's servants during these disturbances was a difficult one. It fully accounts for their initial hesitation. Trade was almost completely overborne; but the Company's Governors still retained their authority, although events were daily reducing it to nominal proportions. At Madras everything was disorganised; the civil community was dispersed and the place had become a mere military depôt and hospital. Lawrence, although beset by a

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doubt whether he was justified in fighting the French without orders from King George, yet felt that the time was ripe for action if British prestige was to be maintained. With about 600 Company's soldiers drawn from Trichinopoly,[1] Lawrence advanced to join Nazir's army, which had now passed Arcot with 300,000 horse and foot, 800 guns, and 1,300 elephants.

Even without the mutiny of French officers which now occurred, the cause upon which Dupleix had set his heart seemed hopeless. His ally, Muzafir Jung, was forced to surrender, the English Nawab, Mohammed Ali, was placed upon the throne of the Carnatic, while the deposed Chunda Sahib fled to Pondicherry. For the moment the star of the Company appeared in the ascendant.

But it was only for a moment; the triumph of the allies of the Company was short-lived; Dupleix's genius was superior to his misfortunes. He opened a secret correspondence with the disaffected Patan troops in the Nizam's service, he instilled a new spirit into his officers, and his efforts brought a speedy change in the aspect of affairs. What occurred was not, as Wheeler remarks, "a revolution, such as might have occurred in a European Court; it was an entire transformation, like a new scene in a

[1] It was charged a little later by contemporary pamphleteers that had the Presidency not recalled the British troops from the aid of the Nawab, the French could not have obtained the victory at Trivadi; which enabled them to give a Subahdar to the Deccan and a Nawab to the Carnatic. "But it would appear that Major Lawrence suffered his own gallant spirit to be cramped and confined by the narrow councils of a commercial Board."—James Macpherson.

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pantomime". The new Nizam, who had been arranging a pacificatory treaty with the French, was assassinated by a trio of Patan traitors instigated by Dupleix; Muzafir Jung was released from his chains and established on the throne of Hyderabad. By way of reward the French were handed over a large quantity of the slain Nizam's treasures, and Dupleix was nominated Governor of all the Mogul dominions on the Coromandel Coast, from the river Kistna to Cape Comorin. Chunda Sahib also was restored to the government of Arcot. Both conspirators, "wild with joy, embraced one another like men escaped from shipwreck". In December, 1750, Muzafir Jung arrived at Pondicherry; in January he returned to the Deccan, accompanied by a French force under Bussy. But it appeared that the unruly and treacherous Patans were not yet sufficiently placated; they broke out in renewed insurrection on the road to Hyderabad, and although the French fought their way through with artillery and grape-shot, the luckless Muzafir Jung was sent to account with a javelin through his brain. The situation was an acute one; but the resourceful French commander, Bussy, instantly created a new Subahdar out of a prisoner, one Salabut Jung, then languishing in confinement in camp. He then continued his march on to Hyderabad.

The extraordinary fortune of the French, combined with the vacillation of the civil authorities at Fort St. George and Fort St. David, rendered the situation of the Company in this part of India, if not indeed in the whole Indian peninsula, a most pre-

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carious one. Mohammed Ali, without money and without an army, shut up in the fortress of Trichinopoly, began to despair of recovering his province. He even offered to make terms with Chunda Sahib and the French; Lawrence was absent in England; Governor Floyer seems actually to have consented to such an arrangement in the hope of quieting matters. Happily for the future of the Company, these overtures were haughtily rejected by the victorious French.

At home, Floyer's despatches announcing the Devi Cottah transaction filled the Court of Directors with alarm, and on the 6th of July he received his dismissal. But Thomas Saunders, who succeeded him, was no more than Floyer able to bring peace to the Carnatic or to refrain from mingling in military affairs. The Company honestly believed that when the treaty of peace was signed at Aix-la-Chapelle hostilities between French and English in all quarters of the world were at an end. But, as a matter of fact which history shows, they were just beginning both in North America and in India, where alike the political paramountcy was at stake during the next few years.

Fortunately for the real interests of the Company, the overtures of the beleaguered Nawab to Dupleix were rejected; fortunately, also, Thomas Saunders, of firmer fibre than his predecessor, resolved to do his duty. In Lawrence's absence he twice sent a strong detachment to the relief of the beleaguered Nawab. But these were in each case ill commanded, one sustaining a disgraceful defeat at Valkonda.

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Chunda Sahib and his French allies were now pressing with all their might upon Trichinopoly. Young Clive, now permanently transferred to the military service, with the rank of captain, was sent for the third time to Trichinopoly in charge of another small reinforcement. He had previously expressed to Saunders his opinion that if Trichinopoly were to be relieved it must be done by creating a diversion in an unexpected quarter, and suggested the capture of Arcot, the capital of the Carnatic. His third visit confirmed him in this opinion; on his return he convinced Saunders that he was a fit person to execute the plan. Arcot was accordingly surprised on the first of September by a force of 200 English and 300 sepoys. Clive's officers numbered only eight, half of whom were very young writers, who, fired by the example of Clive, had just quitted their desks in the Company's service. This little force entered Arcot and occupied the fort. The ruse perfectly succeeded; on hearing the news the enemy sent an army of 10,000 men from Trichinopoly to recover Arcot. Against this formidable body Clive, cooped up within the walls of a half-ruined fortress, held out valiantly. Every breach the enemy made in the wall was instantly repaired; every assault was repelled with spirit. His nocturnal sallies kept the foe in constant alarm and commanded the admiration of the native chieftains, who had hitherto a somewhat unfavourable opinion of British military capacity.

In the meantime the Company's chiefs, Saunders, at Fort St. David, and Richard Prince, at Fort

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St. George, had despatched 100 English soldiers and 200 sepoys to Clive's succour, but, intercepted on the road by an overwhelming force of natives and some French artillery, this little reinforcement was driven back with loss to Madras. Amongst those who had been watching the defence of Arcot was a body of 6,000 Mahrattas. Appealed to now by Clive these Mahrattas, who had been only nominally in alliance with Mohammed Ali, resolved to go to his aid. Thoroughly alarmed, the commander of the besieging force delivered his final assault on the 14th November. When day broke on the following day it was found that the whole army had abandoned Arcot in haste and confusion, leaving the place in possession of the Company's servants after a siege of fifty days.

This achievement has been called "the turning point in the Eastern career of the English".

A detachment now arriving from Madras to relieve the garrison, Clive set out instantly to pursue the enemy, gained a splendid victory and the loyal adhesion of a body of the French sepoys, and then returned to Fort St. George to report upon the campaign to the Company's Deputy Governor there. But the enemy quickly reassembled, and some 5,000 natives and Frenchmen with artillery began to ravage the Company's territory in the immediate vicinity of Madras. In February, 1752, Clive went out to meet them with a small body of English and sepoys. He defeated them after a hard-fought battle, Chunda Sahib's troops flying in all directions, and the French making a rush for the protecting walls of

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Pondicherry. The young conqueror was advancing to Arcot when he was recalled by President Saunders at Fort St. David, to command an expedition against Trichinopoly, still beleaguered by Chunda Sahib's troops. Not to lose an opportunity of damaging the prestige of the French on the march back he razed to the earth a town which the vanity of Dupleix had induced him to christen after himself, together with a monument which he had set up to commemorate French victories.

Clive was not destined to head the force for the rescue of Trichinopoly. Two days before the appointed date Major Lawrence arrived from England and took command as superior officer. But Lawrence, wholly destitute of professional jealousy, and warmly admiring the self-taught captain's talents, insisted on his accompanying him. In the end Chunda Sahib's forces broke up in dismay, the French were compelled to surrender, and their ally's head was despatched by some of his native enemies to Mohammed Ali as a trophy of victory.

The tragic death of the French Nawab, far from putting an end to the disturbances in the Carnatic, only sowed the seeds of a new war. It appears that Mohammed Ali, when but feebly assisted by the servants of the Company, had made a secret treaty with the Rajah of Mysore for his assistance, by which, for his aid in regaining possession of the Carnatic against Chunda Sahib, the Rajah was to receive Trichinopoly and its dependencies. The Rajah now insisted upon a fulfilment of this bargain. Mohammed Ali refused on the ground that he was

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still surrounded by his enemies, and that if he gave up Trichinopoly he would be virtually giving up all his dominions. Thereupon the ruler of Mysore abruptly broke his alliance with the restored Nawab and with the Company and went over to the French. These dissensions were, of course, actively fomented by Dupleix. A renewal of hostilities ensued. The civil authorities at Madras held a conclave, and resolved, in spite of the opposition of Lawrence, to attack the strong fort of Ginji, in the South Arcot district. The Company's force was repulsed with loss, and the French now advanced to within two miles of Fort St. David. In this action neither Lawrence nor Clive had taken part owing to illness, so that Saunders was grievously handicapped, and the sepoys, raised and vigorously trained by his orders, lacked a proper commander. Two other battles followed with better results, Lawrence defeating the French in the field, taking prisoner Dupleix's nephew, who was in command, and Clive capturing two strongholds held by the French near Madras after a brief siege. Upon this achievement, Clive, with greatly impaired health, proceeded to England by the first ship.

By the simple expedient of forging sunnuds from Delhi, Dupleix now invested himself with the governments of all the territory south of the Kistna. In this self-appointed rôle of Subah he created Mortiz Ali (hereditary governor of Vellore) Nawab of the Carnatic, and succeeded in turning against Mohammed Ali the power of the Mahrattas and Mysoreans. The French once more laid siege to

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Trichinopoly; Lawrence was sent thither in May, 1753, and after a gallant and persistent effort cut up the French and dispersed the horde of besiegers. All this was not accomplished without anxiety and industry on the part of the Company's agents at Madras, whither the seat of the Presidency had been removed, 5th April, 1752. It is customary for historians to speak of all these achievements as if purely conceived and conducted by the military authorities, to attribute the failure of operations to the ill-advice or opposition of the Presidency. There is no doubt that the counsels of men acting in a civil capacity, taking their orders from the Company at home, which did not yet understand the situation, and was perhaps unduly anxious to replace matters on their old footing of trade, were not fully favourable to bold and dashing initiative. But there were men in the Council who knew as much of the theory and art of war as Clive, who had better acquaintance with the natives than Lawrence, and were not far behind either of these commanders in energy and zeal. Hinde and Haliburton had seen the need of drilling the natives in European military practice, and Saunders was indefatigable in the production of sepoys for the defence of the Company's property and reputation. The difficulties the civil government had to face in negotiating and reconciling native interests were enormous. They seem to have been always fearful that the Company's military contingent, anxious for renown, would plunge them into some irretrievable disaster. All the work of correspondence and treaty making fell on Saunders and his Council.

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They were obliged to scour the country for stores and provisions for Lawrence's army. When the latter had, in the following year, repeatedly found the Rajah of Tanjore intractable, it was Robert Palk, an ex-chaplain, who induced Pertab Singh to listen to reason, as it fell to his successor, George Pigot, to bring Mohammed Ali to terms.

In fact, as Clive himself told Parliament twenty years later, although the "officers of the navy and army have had great share in the execution, the Company's servants were the cabinet council, who had planned everything; and to them also may be ascribed some part of the merit of our great acquisition".

Meanwhile the French, for favours rendered to Salabut Jung, had obtained the cession of the five important provinces of Ellore, Rajahmundry, Cicacole, Condapilly and Guntore, otherwise known as the Northern Circars, which rendered them masters of the sea-coast of Coromandel and Orissa for an uninterrupted line of 600 miles. Besides yielding them a huge revenue, this territory furnished them facilities for receiving reinforcements of men and stores from Pondicherry and Mauritius. Bussy, who had accomplished this, repaired to Golconda, where he resumed his control over the Deccan in full Oriental pomp and splendour. Far otherwise was it with his chief, Dupleix. His ambitious schemes had failed to dazzle either Versailles or the French India Company. They saw no permanence in his conquests; they grew jealous and fearful of the expense in men and money. In England our Company duly com-

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plained of Dupleix's conduct to the British Ministry, which did not fail to lodge remonstrances with the Court of France against the irregular hostilities being maintained between subjects of two friendly European nations on the Coromandel coast. To add weight to these remonstrances, a British naval squadron together with an infantry regiment were ordered to proceed to Madras. These preparations were not lost upon the statesmen at Versailles. Dupleix was instructed to negotiate an immediate peace with the English and their allies in India. Saunders joyfully welcomed the chance of ending an unsatisfactory state of affairs. He nominated two deputies, Robert Palk and Henry Vansittart, to meet a French deputation at Madras. Dupleix had claimed to have a letter from the Mogul authorising him to settle all the questions in dispute. At an early stage of the negotiations it was discovered that this authority had been forged by Dupleix, and the proceedings therefore came to an abrupt termination. Saunders wrote home to the Company declaring that a settlement could not be made by the parties in India, and requesting its direct intervention. As a consequence Dupleix was recalled, and Godehieu, one of the directors of the French East India Company, sent out to Pondicherry in his stead.

"With the departure of Dupleix," says a writer of the last century, "the grand schemes of French empire and dominion in the East seemed to vanish into thin air. On his arrival in Europe this ambitious and able man found himself obliged to dispute the miserable remains of his once splendid fortune with

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the French East India Company, to dance humble attendance on Ministers and their satellites, and to solicit audiences in the antechambers of his judges. He suffered as much as La Bourdonnais had suffered through his means; and he was soon dead and soon forgotten in France, though not in India."[1]

His successor, Godehieu, quickly evinced a more amiable policy. He opened a friendly correspondence with Saunders, the Company's Governor at Madras, returning thither a company of Swiss mercenaries whom Dupleix had made prisoners, and otherwise displaying an eagerness for peace. A suspension of arms was agreed to, and on the 26th December, 1754, a provisional treaty establishing peace was signed by Saunders and Godehieu. By the articles of this treaty neither nation was to build forts, although places already fortified might be repaired. The French agreed to withdraw their troops from the Carnatic and to interfere no more in the affairs of its native princes. Moreover, the territorial acquisitions of both nations were to be settled and defined on the principle of equality, a concession which virtually robbed the French of all that Dupleix's wars and intrigues had acquired. According to Saunders' view, which the Company at the time chose to adopt, the English settled on the coast were the subjects of the Mogul empire. The French

[1] Macfarlane, *British India.* Joseph Dupleix died in 1763 in reduced circumstances in Paris. He was beyond question a man of genius, a powerful schemer; but there is nothing to show that he possessed either valour or probity. Had any but Madame de Pompadour then ruled France, he would never have ended his days so ingloriously.

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being on precisely the same footing as regarded the empire were certainly rebels in that they opposed the rights and authority of Mohammed Ali, the lawful representative of the Mogul in the Carnatic. The war, therefore, which finally resulted in the expulsion of the French, was the Nawab's war, and the Company's servants in lending Mohammed Ali their assistance were merely performing their duty to their suzerain.[1]

There was something unsound and hypocritical about such a declaration, and events were looming up in the north to demonstrate its exact worth as a political creed.

Meanwhile, in spite of the treaty, French influence, guided by the redoubtable Bussy, still remained strong enough in the Deccan to give the Company and its servants some apprehensions for the future. In fact, not knowing what arrangement might be come to in India, the Company in 1754 resolved to send a fresh force into the Deccan for the purpose of undermining this influence in co-operation with the head of the Mahratta confederacy.

Clive, baffled in his desire to enter Parliament on his return, applied to the Court of Directors for re-employment in India. He was promptly ap-

[1] Though the hostilities between the English and French Companies had become a part of the war between the two nations, as each was assisted by its respective sovereign, they were both, strictly speaking, but auxiliaries to the rivals for the Nawabship of the Carnatic. The English, at least, considered themselves as only contending for the legal government, under which they had so long flourished against usurpers, either created or supported by the intrigues and arms of the French.—Governor Saunders' letter to the French deputies, 15th February, 1754.

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pointed Governor of Fort St. David and instructed to assist in the execution of the military operations in the Deccan. He had been preceded by a British officer, Colonel Scott, whose services had been pressed upon the Company by the Duke of Cumberland, to lead the English auxiliaries who were to act with the Peishwa of the Mahrattas. About the same time a British squadron under Admiral Watson, conveying the 39th Foot to India, arrived in Madras.

On the conclusion of his treaty Saunders sailed for England and was succeeded in the presidency by George Pigot,[1] a man of ability and courage who had long served the Company. To Pigot fell the duty of informing Admiral Watson that the troubles in the Carnatic were for the present over, and arranging for his employment elsewhere. It was decided that the piratical raids to which, as we have seen in the earlier portion of the present narrative, Bombay had been subjected should at last be repressed. The famous Mahratta chief, Sivaji, who had given so much trouble to the Company in Aungier's time, had been followed by marine freebooters not less rapacious and insolent, whose attacks on English, French and Dutch vessels had greatly

[1] "This gentleman," says Macpherson, "though bred to trade, was possessed of personal resolution; and he had once seen the face of an enemy, about seven years before." The fact alluded to occurred in July, 1751, when, lacking officers, Saunders ordered Pigot, then a member of the Council, to conduct a convoy of stores to Verdechellum, a fort north of the Kolerun river. This he performed without loss. On his return he was attacked by the troops of a Polygar, armed with matchlock guns, but escaped without injury owing to the speed of his horse.

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damaged the trade between Bombay and Europe. Before Watson's arrival an expedition sent out by the Bombay government, under Commodore James, had captured one of the two forts the pirates boasted on the island of Suvarndrug, and it was now proposed to demolish the other and disperse the entire buccaneering force.

Towards the close of October, 1755, Clive, for whom the Company had obtained a commission as Lieutenant-Colonel in the King's army, arrived at Bombay from England. He found Colonel Scott dead and the Deccan expedition abandoned. It was therefore arranged that Clive should accompany Watson on his expedition against the Mahratta pirates, who, though nominally acknowledging the authority of the Peishwa or supreme head of the Mahrattas, yet in practice so constantly defied his authority that he was as anxious as the English for their suppression. The hero of Arcot had brought with him to India three companies of artillery and 300 infantry. On the 11th February the joint expedition arrived off Gheriah, the piratical stronghold on the mainland, while a Mahratta army approached on the land side. But it was soon brought to the ears of the Company's commanders that the treacherous Mahrattas had an understanding with the pirate chief, who promised to surrender his fort to the Peishwa's troops and not to the English. Clive promptly landed his little force and interposed it between them and the walls of the town. The pirates capitulated after two days' bombardment, and booty valued at about ten lakhs of rupees was divided

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between the Royal Navy and the Company's soldiers. This division was not, however, made without a dispute which foreshadowed others between the two services in the campaign soon to open in Bengal. The victorious officers Clive and Watson now proceeded to Fort St. David, where the former took up his government on the 20th June. It was on this very day that Calcutta was captured by the Nawab of Bengal and there occurred the terrible tragedy of the Black Hole. To this part of India the drama of the Company's rule now shifts.

Whilst the scene is changing we may take occasion to remark that the late bloody events had not wholly undermined the Company's piety, for which it had been famous in the early days.

The Society for Promoting Christian Knowledge, founded at the beginning of the eighteenth century, had early directed its attention towards India. In the year 1744, and again in 1752, we find the Company giving hearty assistance to this religious society. It was ordered that the missionaries sent out by the society should have the use of a church at Cuddalore, and of another at Madras. "And," wrote the Company to its agents, "as a further encouragement to the said missionaries to exert themselves in propagating the Protestant religion, we do hereby empower you to give them, at such times as you shall think proper, in our name, any sum of money, not exceeding 500 pagodas, to be laid out in such manner, and appropriated to such uses, as you shall approve of; and you are hereby directed to give us, from time to time, an account of the progress made by them in

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educating children and increasing the Protestant religion, together with your opinion on their conduct in general, and what further encouragement they deserve." In the same year in which this was written to Madras (1752) the Court wrote to Bombay: "As it will be greatly for the interest of the Company to have as many of the soldiery, and others our dependents in the Presidency of Bombay, instructed in the principles of the Protestant religion, we have thought proper to add two more chaplains to your establishment, who are to reside at Tellicherry and Anjengo, or wherever else you shall think proper to station them, so as will best answer our intentions; and that we may have the advantage of a rising generation instructed in the same principles, we recommend it to you, to form a plan for the setting up and establishing charity schools, wherein the children of our soldiers, mariners and topases, and others, may be educated as well as the subordinates at Bombay. When you can reduce your plan to practice you may depend upon our giving an assistance becoming the Company; and we most earnestly recommend it to every one of our servants and others, who are in good circumstances, to contribute freely to an undertaking of such utility to the Presidency in general.

"When schools are erected in consequence of this recommendation, our chaplains are frequently to visit them, to see what improvement the children make, and to give their utmost assistance in instructing and confirming them in the principles and profession of the Protestant religion." [1]

[1] P. Auber, *Rise and Progress.*

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CHAPTER V.

Plassey and a New Era.

By this time, after all these stirring events, affairs in Leadenhall Street had reached a crucial stage. The Court of Directors were rent by faction; they seemed in danger of losing their heads completely. With the arrival of every bundle of despatches the confusion grew worse. The proprietors, chiefly hereditary owners of stock, long accustomed to the steady receipt of a comfortable dividend, annually grew more alarmed at these stories of battles and sieges, of political and military movements. They complained bitterly to the directors, who, shifting the blame, complained as bitterly of their servants in India. In 1752 a general court met to discuss the debt incurred at Madras; after an acrimonious debate it was decided to pay off the whole, amounting to £140,000. New liabilities were formed, and in 1755 it was found necessary to reduce the dividend from 8 to 6 per cent. A cry went up for the good old times: the new policy of territorial conquests, of fleets and armies, was roundly denounced by the several hundred old women—spinsters, widows, clergymen and half-pay officers—into whose hands the stock had fallen. In 1753, when King George II. granted a fresh charter establishing courts of justice and a military force in India, as well as mayors and

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aldermen for Madras, Bombay and Calcutta, there were several who questioned the advantages of such a charter. "Our interests in Hindustan," said one member in prophetic strain, "are passing out of our hands into those of the people we employ to serve us, and the gentlemen of the Court will discover soon, if they are not careful, that they are being laughed at by a company of captains with blunderbusses and pistols, to say nothing of King's judges and aldermen."

What added to the anxiety of the Court was that about this period nearly all the nations of Europe were making a fresh bid for the Indian trade. German, Russian, Portuguese, Spanish, Swedish and Danish companies were started, with much blazoning of capital, which, happily, proved in the result more visionary than real. But the most terrible blow the Company had yet received came when it learnt that Bengal was at last ablaze, that its most profitable settlement of Calcutta had been attacked and fallen an easy prey to the native powers.

At the time of the Persian invasion of Hindustan in 1739 the grandson of Murshed Kuli Khan was Nawab of Bengal, Behar and Orissa. The Government was sunk in iniquity, the people were oppressed, and there was no longer any hope of redress from Delhi, the ostensible centre of the Mogul Empire. A conspiracy arose to depose the Nawab, and Aliverdi Khan, the Deputy Nawab of Behar, was placed at the head of it. An army was mustered, the Nawab appointed by the Imperial Court was soon killed, and Aliverdi Khan usurped the throne of Bengal.

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About this time the Mahratta invasions began, and were continued almost annually from 1742 to 1750, plunging the land in bloodshed, causing the people to flee from their homes and completely disorganising trade and industry.[1] The Nawab was strong enough to compel the English at Calcutta and the French at Chandernagore not to follow the example of Madras and Pondicherry in the war which broke out between the two European nations in 1744. During the whole period that the agents of the two East India Companies were battling for supremacy and territory in the south, the English Company's settlement at Calcutta "was like an oasis of European civilisation in a desert of Hinduism and Islamism". "The English factory," says Wheeler, "with its warehouses, workshops, offices and outlying houses covered about a hundred acres on the banks of the Hugli. The native town consisted of three or four large villages, more or less remote from the English factory and from each other. . . . There were pagodas, mosques, tanks and two or three churches. But Calcutta was not a metropolis. The English factory was only the emporium of the English trade in Bengal. Native villages near the factory were growing into a city under the stimulus of manufacture and trade." At this time Roger Drake, the Governor, presided over a Council of nine members, some of whom were serving as chiefs of inland

[1] "The inhabitants of Calcutta, dreading a repetition of the calamities, obtained permission to dig a ditch round the city to the extent of seven miles (the Company's bounds), which was called the Mahratta ditch."—Auber, *British Power in India.*

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factories at Dacca, Cossimbazar and Patna, while those who were stationed in Calcutta formed the Council for all practical purposes.

The appearance and system of life at the Company's Bengal headquarters, the life and habits of its servants, now divided into the four grades of writers, factors, junior merchants and senior merchants, differed but little from that described as appertaining to Madras or Surat a century before. The chief imports were woollens, cutlery, iron, copper and quicksilver; while the exports were cotton piece-goods, fine muslins, silks, indigo, spices and Indian rarities, all of which commanded a widespread sale throughout the British isles, where Manchester and its cotton mills had not yet arisen in competition. Within the limits of the settlement which had been granted to them the Company's Governor and Council reigned supreme. "At one time the Mogul authorities outside would have liked to interfere in matters of revenue; they never cared much about the administration of justice. As far as the natives were concerned, the English were free to exercise the powers of life and death. They had nothing to fear from Hugli, Murshedebad or Delhi; and the time had not come for them to have anything to fear from Westminster Hall."[1]

Prior to 1753 it had been the general custom to obtain piece goods and similar native manufactures by contract through native channels. Chief amongst the Hindu traders so employed was Omichund.

[1] Wheeler, *Early Records of British India.*

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This person, by his great wealth, influence and connections, proved to be on many occasions a valuable middleman between the Company's Council and the Court at Murshedabad. But it was observed in Leadenhall Street that the system had its drawbacks; for one thing there was a great falling off in quality, accompanied by an increase in price. For this reason the Company made up its mind to cease dealing with native merchants and employ its own agents instead, *gomastas*, as they were called, who would seek investments at the different cloth markets in the provinces.[1]

While, then, the Company's servants at Calcutta and in the three adjacent stations were living in peaceful security, in April, 1756, the just and able Aliverdi Khan died, and was succeeded by his grandson, Suraj-ud-Daulah, a youth under twenty years of age. The early training of the new Nawab had fostered in him a spirit of cruelty and oppression. One of his ruling passions was a jealous hatred of the English, and he had been scarce two months on the throne when he found a pretext for indulging his passion. War was again looming up between French and English, and Suraj-ud-Daulah peremptorily charged the latter with strengthening their fortifications at Calcutta in order to fight the French at Chandernagore. On the 4th June he seized the factory at Cossimbazar, plundered it of all its money and goods, and threw the Company's servants into

[1] The factors also had large transactions with the native bankers. In 1755 the Company owed the seits, or native bankers, of Murshedabad no less than £1,225,000 sterling.

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prison. A week later Drake and his Council were staggered by a report that the young Nawab with an army of 50,000 men and a train of artillery were marching on Calcutta. To oppose this vast force was a little handful of English, less than 500, including mixed races, in the entire settlement. The actual garrison consisted of 170 European raw recruits. On Wednesday, the 15th June, the Nawab attacked; on Saturday the women and children in the fort were removed on board the ships, and were basely followed by Governor Drake and Captain Minchin, the military commandant. On Sunday afternoon John Zephaniah Holwell, a leading member of the Council, who had taken charge of the defence after Drake's flight, was forced to surrender.

The terrible story of what followed has long been known in all its details wherever the language is spoken. It has grown to be regarded, even in the nursery, as a classic instance of cruelty and suffering. The whole of the prisoners, to the number of 146, were, in Holwell's own words, "ordered to go into the room at the southernmost end of the barracks, commonly called the Black Hole prison; whilst others from the Court of Guard, with clubs and drawn scimitars, pressed upon those of us next to them. This stroke was so sudden, so unexpected, and the throng and pressure so great upon us next the door of the Black Hole prison, there was no resisting it; but like one agitated wave impelling another, we were obliged to give way and enter; the rest followed like a torrent, few amongst us, the soldiers excepted, having the least idea of the dimensions or nature of

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a place we had never seen; for if we had, we should at all events have rushed upon the guard, and been, as the lesser evil, by our own choice cut to pieces." In this room, twenty feet square, notwithstanding their bribes and entreaties, their agonies of thirst and suffocation, the Company's servants were confined during that fearful night, while Suraj-ud-Daulah slept off a debauch. In the morning, when the bloody tyrant rose from his perfumed couch, he finally listened to the intercession of Aliverdi Khan's widow, and ordered the door to be opened; it was found blocked by the dead. Out of the 146 who had entered, only twenty-three ghastly figures were dragged forth alive.[1]

Among these was Holwell, who, with the others, was summoned before the Nawab, and ordered to surrender the Company's treasure, being threatened with further severities if the demands were not instantly complied with. On Holwell's replying that he knew of no such hidden treasure, he was violently insulted and reproached, his wasted frame bound in fetters, and he was thrown into a shed to feed with his comrades upon uncooked grain and water. The Company's warehouses and dwelling houses were plundered, and the name of Calcutta ordered to be changed into Alinagore, or the Port of God. After this, with colours and banners flying and trumpets screaming, Suraj-ud-Daulah proceeded up the river to further conquests, leaving three thousand troops behind in the town. In his train were dragged his

[1] The Black Hole building was demolished in 1818 to make way for some extensive warehouses of the Company.

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unhappy English prisoners, manacled; their bodies covered with boils.

An incident which occurred on the march before Murshedabad was reached deserves to be mentioned as an instance of the amenities not always absent between the rival French and English and Dutch traders. On the 7th July Holwell came in sight of the French factory at Cossimbazar; he prevailed on his guard to pause there while he sent word to Law, the French factor, of his sad plight. "On the receipt of my letter, M. Law, with much politeness and humanity, came down to the waterside and remained near an hour with us. He gave the guard a genteel present for his civilities, and offered him a considerable reward and security if he would permit us to land for an hour's refreshment; but he replied his head would pay for the indulgence. After M. Law had given us a supply of clothes, linen, provisions, liquors and cash we left his factory with grateful thanks and compliments." The Dutch factors at the capital, both before and after Holwell's release in the middle of July, also evinced "real joy and humanity" towards him and his comrades—far different behaviour from that of their predecessors of the seventeenth century at Amboyna, Surat and Gombroon.

It was not until the 16th August that Pigot and his Council at Madras received an urgent appeal from Calcutta for troops to assist for help against the aggressions of the young Nawab. The story of the outrage inflamed all who heard it; Fort St. David and distant Bombay responded with cries of

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vengeance. It was at once resolved to send a force of 900 English soldiers, 1,200 sepoys and some artillery under Clive to retake Calcutta. Pigot, in spite of the obstinacy of Watson, who wished to see the recreant Drake restored in the Bengal government, and the jealousy of Colonel Aldercorn, who commanded the 39th Foot, appointed Clive commander-in-chief of the expedition. Owing to disgraceful bickerings a delay ensued, and it was not until the 2nd January, 1757, that the English fleet reached Calcutta. The Nawab's governor fled in a panic, and after scarcely any fighting or resistance the English flag was hoisted over Fort William.

Contrary to the orders investing Clive with military and political control in Bengal, Admiral Watson took it upon himself to appoint Captain Eyre Coote Governor of the fort. Clive was naturally indignant, threatening Coote with arrest if he did not at once yield up the command to himself as the Company's officer. Watson, on his part, went so far as to promise to fire upon the fort if Clive persisted. In the end this miserable dispute between the Company's and the King's officers—only a sample of what had been going on since the incident of the prize money at Bombay—was compromised by the fort being surrendered to the King's authority on the stipulation that it should forthwith be handed over to the Company's chief agent.

Little wonder that Clive should write thus to Governor Pigot: "I cannot help regretting that I ever undertook this expedition. The mortifications I have received from Mr. Watson and the gentlemen

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of the squadron, in point of prerogative, are such that nothing but the good of the service could induce me to submit to them. The morning the enemy quitted Calcutta a party of our sepoys entered the fort at the same time with a detachment from the ships, and were ignominiously thrust out. Upon coming near the fort myself I was informed that there were orders that none of the Company's officers or troops should have entrance. This, I own, enraged me to such a degree that I was resolved to enter if possible, which I did, though not in the manner maliciously reported by forcing the sentries, for they suffered me to pass very patiently on being informed who I was. At my entrance Captain Coote presented me with a commission from Admiral Watson appointing him Governor of Fort William, which I knew not a syllable of before; and it seems this dirty underhand contrivance was carried on in the most secret manner, under pretence that I pretended the same thing, which I declare never entered my thoughts. The affair was compromised by the Admiral consenting that I should be Governor, and that the Company's troops should remain in the fort. The next day the Admiral delivered up the fort to the Company's representatives in the King's name."[1]

On the 10th Clive attacked the fortress and town of Hugli, and quickly captured it. These proceedings naturally aroused Suraj-ud-Daulah, who promptly began to march down to Calcutta with an

[1] Watson died on 16th August following of jungle fever.

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army of 40,000 men. His mock professions of friendship and redress were met by a stern demand to withdraw his army from the neighbourhood of Calcutta. On a refusal, he was attacked and compelled to retreat. Much as Clive would have liked to follow up this retreat and inflict summary vengeance on the young Nawab, he believed that he was best consulting the Company's interests by seeking rather to make peace at a most critical juncture. For a fresh war between England and France was momentarily expected: if the Nawab of Bengal joined forces with the agents of the French Company, Calcutta might find itself in serious danger. To prevent such a step and restore the Company's settlement to its old basis, it would be wiser to dismiss for the present all idea of vengeance on Suraj-ud-Daulah and negotiate with him for safety and restitution. By no means was this policy to the taste of Admiral Watson and his friends of the King's service; they wished to pursue the Nawab and chastise him. Nevertheless, the latter showing great willingness to make terms, a treaty was soon concluded. All the privileges formerly granted to the Company by Aliverdi Khan were renewed; all trade covered by the Company's passes was freed, and all its property or that of its servants or tenants which had suffered pillage was to be restored. Permission was given to fortify Calcutta and to coin money at discretion. Moreover an alliance, offensive and defensive, was entered upon with the Nawab before his return to Murshedabad. The value of such alliance was rendered all the more patent by the tidings

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which now arrived that England and France were again openly at war.

Besides the significant quarrels between the representatives of King and Company, the Company's Council at Calcutta, a feeble body, showed themselves very jealous of the powers which Pigot and the Madras Council had bestowed upon Clive. "At that early period," remarks Sir Alexander Arbuthnot,[1] "those presidential jealousies which have so often interfered with the administration of Indian affairs, and even now are not entirely extinguished, appear to have existed in full force." No sooner was Clive in possession of Calcutta than the Select Committee, as the Governor's Council was called, requested him to surrender his independent powers and subordinate himself to them. He abruptly and emphatically refused. "I do not intend," he answered them, "to make use of my powers by acting separately from you without you reduce me to the necessity of so doing; but as far as concerns the means of executing these powers, you will excuse me, gentlemen, if I refuse to give them up. I cannot do it without forfeiting the trust reposed in me by the Select Committee of Fort St. George." In fact, Clive seems to have as wholly mistrusted the Company's chief servants at Calcutta as he trusted those at Madras.

While these incidents were happening in Bengal, the Madras Select Committee was growing most uneasy. Godehieu's successor at Pondicherry, Count Lally, an impetuous, hot-brained Irishman, was al-

[1] *Life of Lord Clive.*

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ready planning a renewal of hostilities. The arrival of a French fleet was daily apprehended, and Clive was therefore summoned to return as soon as possible to Madras. But the young Governor felt that the annihilation of French power in Bengal claimed his first consideration, and, in addition, he had reason to believe that were he to withdraw with his soldiers from Calcutta, a repetition of outrages from the Nawab was to be apprehended. The Calcutta Council, left to themselves, were no match for such a situation. They were a divided body, full of petty jealousies and individual interests, lacking a strong head. Pigot and his military adviser, Lawrence, at Madras, on the other hand, were capable and trustworthy administrators and could be depended upon to give a good account of themselves in a crisis. Clive, then, chose to disregard their summons and the Company's wishes, and remain for the present in the north.

Under the circumstances of war between France and England there could be no permanent security in Bengal while the French were left in possession of their factory at Chandernagore. Clive accordingly, with the Nawab's reluctant permission, besieged and captured this fort, but before the garrison had marched out the Company's commander had made up his mind that Suraj-ud-Daulah, so far from assisting, was already attempting secretly to form new leagues against the English. At the same time reports were received that Bussy had been summoned by the Nawab to aid him in expelling the English from Bengal. William Watts, who had been sent as

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the Company's agent to Murshedabad, called upon the Nawab to expel any Frenchmen remaining in his territory. The Nawab dallied and shuffled; his treachery and his general unpopularity became daily manifest. Clive felt that his deeds and his character made his further reign intolerable. At this juncture he heard with pleasure that a conspiracy to dethrone the Nawab was already on foot in his own Court and camp.

The particulars which the Company's agent at Murshedabad supplied to Clive showed that some of the leading persons at Suraj-ud-Daulah's Court, led by Mir Jafir, son of the late Nawab, Aliverdi Khan, were implicated in the plot. Amongst others involved in it was the Hindu merchant Omichund, whose acquaintance we have already made. He chiefly conducted the negotiations, but was, nevertheless, prepared to divulge everything to the Nawab unless the conspirators agreed, under their signatures, to gratify him with the huge sum of thirty lakhs of rupees. Although satisfactory overtures had been received from Mir Jafir, who commanded the Nawab's army, offering to aid the English if he were raised to the succession; although he swore solemnly on the Koran to keep his engagement, yet, fearing Omichund's treachery, Clive hesitated. It was then that there occurred the oft-told disgraceful episode of the red and white papers and the false signature which reassured the Hindu capitalist. Having thus made terms with the conspirators, Clive moved forward to attack the Nawab. Watts made his escape from Cossimbazar and Suraj-ud-Daulah

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marched all his forces southward to Plassey, where the two opposing armies met, just one year after the loss of Calcutta.

Although Mir Jafir had promised solemnly to go to Clive's assistance, he only looked on and did nothing. The result, despite its celebrity, was in itself less a great battle than a great rout. The loss to the Company's force was absurdly small, considering that 50,000 men were opposed to their 3,500. Disheartened by the death of his leading general, and yielding to the treacherous advice of his suite, Suraj-ud-Daulah quitted the field a helpless fugitive. He subsequently fell into the hands of his enemies and was ignominiously put to death by Mir Jafir's son.

Yet, although so easily won, the results of Plassey were vast and widespread, and of the greatest political significance. Mir Jafir, in spite of his dereliction, was duly placed on the throne of Murshedabad. The ruler of the richest provinces in India became subject to the power of the East India Company, or, more strictly speaking, of the Company's military servants in Bengal.

The treasures of Suraj-ud-Daulah had been greatly over-estimated. It was found that the sum did not exceed a million and a half sterling, and Clive had to be content at receiving in hand one half of the stipulated sum, while the remainder was to be paid in three annual payments.[1] The luckless Omichund

[1] It was actually found necessary to procure a charter from King George to entitle the Company to a moiety of the plunder taken from the Nawab of Bengal.

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was informed of the discreditable ruse which had been played upon him. Luke Scrafton, another of the Company's servants who accompanied Watts, said, "Omichund, you are to have nothing". According to the account given by Orme these words "overpowered him like a blast of sulphur. He sank back fainting," and died about a year and a half later in a state of imbecility. But Mill's annotator, Hayman Wilson, casts doubt on this account, and Clive, subsequently writing to the Company, describes the Hindu merchant "as a person capable of rendering you great services, therefore not wholly to be discarded".

Thus Clive and the Calcutta Council, on the 6th July, received payment in coined silver 7,271,666 rupees, worth in English money £800,000. Besides this, Clive had accepted from the new Nawab as his private reward about £200,000. The money filled 700 chests, embarked in 100 boats, which proceeded under the care of a military escort to Nudea. Here it was met by the boats and escorted to Fort William by the English squadron. During August, the Company received 3,255,095 rupees in gold, jewels and cash. The Company also gained from the new Nawab "a right to establish a mint of their own at Calcutta, the entire expulsion of the French for ever, and the delivery to the Company of their factories and effects, the entire property of all lands within the Mahratta ditch at Calcutta; also 600 yards all round beyond the said ditch; the cession of all the land in the neighbourhood of Calcutta that lay between the river, the lake, the Culpee, the

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Company paying the usual rent to the Nabob, and full freedom of trade throughout the provinces of Bengal, Behar and Orissa except the old prohibition against their trading in salt, betel and a few other commodities." The coining of rupees was begun by the Company by the 19th of August.

Following upon the capture of Chandernagore, the French Company's agent, Law, had taken to the field with a small force of Frenchmen. He had been in correspondence with Suraj-ud-Daulah, but on learning of the capture and tragic death of that Nawab, the Frenchman retreated hastily into Behar with the intention of offering his services to the vice-Nawab. Clive sent Eyre Coote to dislodge this dangerous little band of Frenchmen, but it could not be overtaken. The end was gained, however, by striking terror into the heart of the native princes *en route*, each of whom duly tendered his oath of obedience to Mir Jafir, the new Nawab.

Clive took a firm course with the officers of the royal army and navy, who foolishly sought to override him in the matter of sharing the spoils after Mir Jafir's accession. "Gentlemen," he wrote to the malcontents, "it pains me to remind you that what you are to receive is entirely owing to the care I took of your interests. Had I not interfered greatly in it you had been left to the Company's generosity, who perhaps would have thought you sufficiently rewarded in receiving a present of six months' pay." He told them that their disrespectful and ungrateful behaviour had had "the worst consequences to the cause of the nation and the Company".

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While Clive was thus busy pulling down and setting up princes and driving the French out of Bengal, Pigot and Lawrence were working hard at the fortifications of Madras, in momentary expectation of a French attack. The Mogul Empire was fast hastening to its end. After a reign of seven years the feeble Ahmed Shah was deposed and deprived of sight in 1754; and his successor was as little able as he to stem the tide of dismemberment and decay. Virtually all the provinces, save those which lay between Delhi and Lahore, were alienated from the empire, even though a nominal allegiance still continued to be paid. Most of them were involved in the horrors of a civil war. The French Nizam, Salabut Jung, still reigned in the Deccan, although the Mahrattas, whose growing power threatened the whole empire, had robbed him of several provinces, and his masters, the French, had extorted from him four maritime provinces, the Northern Circars yielding more than half a million sterling annually, and the greatest dominion yet possessed in India by Europeans.

After the declaration of war between the French and English there was a term of intermittent fighting on the Coromandel Coast. The Company lost its factory of Vizagapatam and the enemy lost Madura. The independent horde of fighting Mahrattas burst into the country, and demanded *choult*[1] or tribute from the Company's Nawab, Mohammed Ali. "The English," remarks Orme, "had no alternative but to

[1] Literally, a *fourth*.

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pay or fight." As they lacked an army and their treasury was depleted, the credit of the Company had to be pledged. This credit was famed, we are told, even in the camp of the wild Mahrattas, and when the English consented to pay for the Nawab, they agreed to take part of the amount of the money in rupees and part in bills. In April, 1758, occurred a severe sea fight between English and French frigates, off Fort St. David, in which the latter were worsted. Before it began, Lally led a body of French troops from Pondicherry to the rear of the fort, and drove in some of the Company's outposts. More troops from the French ships were landed, and the factory of Cuddalore attacked and captured. Fort St. David was, at that time, garrisoned by 619 Europeans and about 1,600 natives. After a weak defence it was made to capitulate on the 2nd June, when all its fortifications were razed to the ground.[1]

Lally proceeded in his triumphant career by the unresisted seizure of Devi Cottah, and then returned to Pondicherry, where a pompous *Te Deum* was celebrated for his victories. Lacking funds to proceed to the conquest of Fort St. George, whose fall would have completed the expulsion of the English from the Coromandel Coast, Lally resolved, for this purpose, to plunder the Rajah of Tanjore. To ensure his success he also determined to raise up a pretender to the throne of Tanjore.

[1] Hunter states that it had been named after St. David "by its Welsh governor," Elihu Yale. Albeit, Yale was born in America. The fort was afterwards sufficiently restored by the French to withstand General Stuart's attack in 1783. The ruins may still be seen.

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The miserable tool his ingenious fancy hit upon was the uncle of that Suhaji whose cause the Company's servants had originally espoused in the Devi Cottah transaction. This relative, Gatika [1] by name, had since languished in their charge at Fort St. David, from whence he was now dragged forth by the French on the capture of that place.

These schemes of Lally soon reached the ear of Pertab Singh, the ruler of Tanjore, who at once solicited the aid of the Nawab and the protection of the Company. Pertab Singh had certainly not behaved very well to the Company in former transactions, but policy demanded that he should be supported at this juncture against the French. But the Madras Government could only spare a few hundred sepoys for the defence of Tanjore. Lally attacked impetuously, but after five days his powder gave out, and the French were compelled to beat a disastrous retreat. Eventually he got peaceful possession of Arcot, but the merchants and all the wealthier classes had abandoned it, and there was nothing to do but to curse his ill fortune and to retire again to Pondicherry. Here he held a conference with Bussy, whom he had recalled from the Deccan, and it was finally decided, with their joint force of 2,700 Europeans and 4,000 natives, although without money, without credit and with scant provisions, boldly to attack Madras.

Lawrence, who commanded the garrison, and Pigot, to whom, "though bred to trade," the "de-

[1] Gattcar, as he is called by Admiral Boscawen in his letter to the Nawab, see p. 88.

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fence of the siege" was committed by a vote of the Council, awaited the French onslaught. Pigot for some time past had been strengthening the fort, so that practically a new one was erected, enclosing the old one. Within the walls was a total force of 1,758 Europeans, 2,220 sepoys and 200 of Mohammed Ali's cavalry, the Nawab himself for a time taking refuge in the fort. On the 14th December the French entered and took possession of Black Town; a bloody sortie was made by the Company's servants, numbers were killed and wounded on both sides, Count d'Estaing being among Pigot's prisoners. All through the subsequent siege we are told that Pigot, a worthy successor to Oxenden, Aungier and Charnock, "exhibited resolution and activity. He visited the works every day, encouraged the garrison and rewarded their services with money. But the most commendable part of his conduct was his attention to the provisions, which were plenty and good in their kind."

Outside Madras, both before and subsequent to the siege, the utmost efforts were made to induce the recalcitrant Rajah of Tanjore to aid the English and his sovereign lord, the Nawab of the Carnatic. But the crafty Pertab Singh only exhibited a shameless and shuffling policy, promising assistance one day and retracting the next. Believing the credit of the Company to be broken—it certainly was at a low ebb in Madras—he demanded money. Major Calliaud, who had been entrusted by Pigot with the mission to the Rajah, was at his wits' end; Norris, a member of the Madras Council, passing through

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Tanjore on his way to Trichinopoly, advanced 10,000 pagodas, but not until the Company's agent abruptly quitted Tanjore did the treacherous Pertab Singh consent—too late—to order a band of some 400 cavalry to march. Meanwhile, on the 20th December, the Nawab had been prevailed upon, for greater safety for himself and convenience to the garrison, to leave Fort St. George by water, and landing at the Dutch factory of Negapatam, proceed thence to Trichinopoly. When passing through Tanjore only the earnest exhortations of the Company's agent induced the disaffected Rajah to visit his superior in the customary manner. This was but the beginning of a dispute between the Nawab and the Rajah of Tanjore, which needed all Pigot's diplomacy and fortitude to settle, and for which settlement he was to be unjustly assailed both in Leadenhall Street and in India.

Lally's condition before Madras was soon rendered desperate. Six of the Company's ships and two King's frigates arrived in February with reinforcements for the fort. This was a deadly blow to the hopes of the besiegers. On the night of the 17th Lally, with his troops in a mutinous state, silently decamped. Lawrence followed him, until at the end of May hostilities were suspended for the rainy season. Throughout this summer of 1759 the squadrons were busy along the coast, but all Pocock's manœuvring could not prevent the French admiral, D'Ache, from reaching Pondicherry with some men and money, which were so sorely needed. The empty coffers there were replenished by some

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£16,000 sterling and a quantity of diamonds valued at £17,000, which had been captured from the *Grantham*, one of the Company's ships.

The reinforcements which the Company had sent to India rendered the English soldiery equal to the French on the Coromandel Coast. But the lack of cattle, coolies and supplies retarded their taking the field until the first week in March. They were to have been led by Lawrence, but that gallant officer, "worn out by the infirmities of age and by disease," was compelled to retire from the Company's service. He was succeeded by Major Calliaud. The commander of the King's troops, Colonel Draper, was about the same time also obliged to relinquish his post from similar causes to Major Brereton.

A lull ensued; during that lull, in another quarter of the world where the English and French were opposed, a brilliant young soldier, James Wolfe, had landed in Canada, stormed the heights of Abraham and taken Quebec. By the time Eyre Coote arrived at Madras to take command of the Company's army, the last vestiges of French power on the North American Continent were seen to be departing.

The absence of Bussy in the Deccan induced the English to open negotiations with the native chiefs to induce them to embrace the Company's rising fortunes. Colonel Forde was sent to the Northern Circars, where he inflicted a crushing defeat upon the French, who retired to Masulipatam. Before Salabut Jung could send troops to their assistance, the Company's troops were again victorious and

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Masulipatam re-ceded to the English. These events made their due impression upon Salabut Jung, who now received Forde in his camp, not as a foe, but as a friend and ally. He even entered into a new treaty with the Company by which, after handing over a considerable territory about Masulipatam, he promised not to permit any French settlement in his dominions, and also to oblige the French force collected at Rajahmundry to retire across the Kistna within fifteen days. The whole territory granted to the Company comprised ten districts, with jurisdiction over the territory of Nizampatam, extending eighty miles along the coast and twenty inland. The revenue was estimated at 400,000 rupees annually, without fine or military service. Moreover, Forde was offered, on his own private account, a further considerable district if he would help Salabut Jung to vanquish his rebellious younger brother, Nizam Ali. This offer Forde met by a request, which the Subahdar sullenly declined, that he should join in an immediate expedition against his former benefactors, the French. On the Nizam's departure Forde remained on the coast to aid in the re-establishment of the Company's factories which the French had destroyed during the war.

At first the Company had judged it expedient to govern the Northern Circars through natives it could trust, rather than at once intrude its authority. But in 1760 this plan was discontinued, the factories of Masulipatam and Vizagapatam were each endowed with Councils, presided over by provincial chiefs, and the rule of the four Circars of Condapilly, Ra-

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jahmundry, Ellore and Cicacole turned over to them. Moreover, the factory of Gangam, which had been discontinued, was newly established, and a chief and council appointed to administer affairs in that part of the Company's territory.

In Bengal Clive quickly discovered that his new Nawab, Mir Jafir, was incapable of ensuring tranquillity or of resisting invasion of his dominions. It is extremely likely that an empty treasury was at the bottom of Mir Jafir's troubles. At the same time he was threatened by the Nawab of Oude with invasion. Added to these political cares Clive found the Company's civil service required remodelling, for besides Watts and the latter's successor at the court of Murshedabad, he complained that there were no really able men in Bengal.

The threatened invasion by the Nawab of Oude was duly foiled, but soon afterwards that ruler was urged by the eldest son of the Mogul Emperor at Delhi, commonly known as the Shahzada, to join him in an incursion into Behar. Mir Jafir grew terrified; he implored the English, through Warren Hastings, the resident agent at Murshedabad, to rescue him from these impending perils. Hastings had by this time his own opinion of the confusion and imbecility of the Nawab's Court. He constantly wrote to Clive that all classes looked to him, and none other in the distracted province. If he withdrew his intervention the whole fabric of government would fall to pieces; Orissa and Behar would be severed from Bengal, even before the Shahzada and his mercenary Rohillas could reach the province.

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The Shahzada heralded his approach in high-sounding phrases and the offer of bribes to the English. Clive, determined to uphold Mir Jafir, went to meet the invader in March, 1759; the Shahzada's army melted in affright before the "Daring in War" and "Protector of the Great," and Clive entered Patna "in reality the lord and master of all that part of India". The fugitive prince, repudiated by the Nawab of Oude and deserted by his friends, was at length obliged to appeal to Clive's generosity, who thereupon sent him £1,000 to enable him to escape into a safer country. After reducing some disaffected Rajput and hill chiefs to submission Clive returned to Calcutta. So deeply was his intervention appreciated by Mir Jafir that he did not hesitate to show his gratitude by conferring upon his valiant benefactor a jaghire or estate, consisting of the quit-rent of about £30,000 sterling per annum, which the Company was bound to pay to the Nawab for the extensive lands held by it to the south of Calcutta. This grant partook of an objectionable character for several reasons. For one thing, it made the Company the tenant of its subordinate, Robert Clive, an arrangement hardly satisfactory; but the jaghire was afterwards publicly attacked in England on other grounds. Besides this proof of Mir Jafir's gratitude, the Vizier of the feeble Mogul Emperor, who had previously bestowed an imperial title upon the conqueror, wrote to Clive giving the Company permission to establish a factory in the royal city of Delhi, which, although practically quite worthless, was held to be a supreme mark of favour.

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But never, as Clive said, was the gratitude of an Indian prince enduring or steady. Already Mir Jafir, bitterly reflecting upon his condition of almost abject dependence, had been looking about for some force which would help him to throw off the shackles of the conqueror. It was idle to appeal to any native prince; he would have courted the French, only that power, extirpated in Bengal, was fast dwindling away elsewhere in India. The Portuguese, once so strong on the peninsula, were now grown feeble enough. Scarce less so were the Dutch, in spite of their power and prosperity in the islands of the East. Yet Mir Jafir was foolish enough to enter into secret negotiations with the Dutch factory at Chinsura, and to inspire in the Dutch Governor at Batavia hopes of repeating the military and political glories of the English on the Indian peninsula.

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EAST INDIA HOUSE.

The site was occupied by the Company since 1638 : new-fronted in 1726 ; reconstructed 1796. The building was demolished in 1861-2.

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CHAPTER VI.

Laurence Sulivan at the Helm.

In 1758, wearied by incessant complaints, disputes and recriminations, most of the old directors in Leadenhall Street resigned office. They saw it was impossible both to please the proprietors and at the same time listen to the advice tendered them by the best of their servants in India. A new board was elected, hardly stronger, but at least ready to be guided amidst the rocks and breakers by which the Company was now imperilled. A guide was ready to hand in one of their number. Laurence Sulivan, a masterful man, the only one who had been in India, was personally familiar with the exact nature of the Company's tenure there. He understood fully the necessity for strenuous action.

The capture of Fort William was, as a recent writer observes, chiefly remarkable in that "the behaviour of the Nawab forced the Honourable East India Company to reconsider the whole question of its relations with the native Government of Bengal. Up to the outbreak of war the servants of the Company had been satisfied to pose as foreign traders, practically unarmed, and not presuming in Bengal, whatever they had done in southern India, to take any active share in the political arrangements of the country. Suraj-ud-Daulah by his violent action

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convinced the Company that its merchants must be no longer looked upon as mere foreigners, but as lords of the country in which they resided for purposes of trade. It took nearly ten years to realise this fact and perhaps still longer to acknowledge it, but the recapture of Calcutta is the starting point of the new idea."[1]

Soon after Sulivan had taken the chair there came news of the victory of Plassey. At once were "dissipated all those gloomy apprehensions which the impending ruin of the Company might have created". Plassey assuredly altered the whole face of affairs in Bengal. It marked the close of the mercantile period "when the English in Bengal were traders and nothing but traders". In those days, it is true, "stories were told of fights with petty Rajahs about tolls and transit duties; but the ambition of merchants was to make good bargains and push their trading interests in Bengal. They made municipal laws and administered justice within their little zemindary; but they took no heed of what was going on outside the Company's bounds unless it affected trade."[2] With Plassey the plodding servants may almost be said to have risen to wealth and power "at a single bound". Both they and their masters in London were bewildered by the rapidity of events. "Before one revolution was accomplished it was upset by another. One nawab was deposed because he was too weak; his successor was deposed because he was too strong."

[1] *List of Europeans in the English factories in Bengal*, 1756. S. C. Hill, B.A., of the Calcutta Record Office, 1902.

[2] Wheeler, *Early Records*.

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Laurence Sulivan was assuredly of the mould of the old seventeenth century governors; but the time, if not the need, for these was past. His mandates provoked surprise and anger in the East; his rebukes and commentaries were received with all the more indignation, because they betrayed what the recent letters emanating from the department of correspondence had never betrayed, a reasonable knowledge of men and motives in India. Sulivan proceeded to establish a secret war committee, comprising only himself and a handful of his most trusted friends, which was a step in the right direction, because it tended towards coherency and continuity of action, qualities the Court had long lacked. His opponents, at a later day, charged that he issued orders signed only by this little cabal "against the laws of the Company, which gave validity to no orders but what are signed by thirteen directors". But during his triumphant *régime* the proprietors were ready to forgive him much greater infractions of legal procedure. Moreover, as a still bolder bid for paramountcy, Sulivan commenced a widespread private correspondence with the chief servants in India, loftily distributing his personal praise and blame like ribands and medals; often furnishing also more substantial proofs of the power he possessed at East India House. He might be for the next few years courted or hated or feared, but at least he made it known throughout the service that once more there was *a man* at the head of affairs at home.

Before the news of the recapture of Fort William

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had reached London, the Court of Directors wrote appointing a Council for Calcutta, consisting of five members, of which Clive was to be President. A little later in the year, when the Company had not heard of Plassey, they wrote again nominating a Council of ten, and ordering that the office of President should be held by the four senior members in rotation for three months. Clive was, of course, then supposed to be back at his post at Fort St. David, and his name was therefore not mentioned, but the nominated members, led by Watts, perceiving the absurdity of the proposed arrangement, felt that they could not carry on the government without him. He was accordingly pressed to undertake the Presidency of the Council pending further orders from home. "Clive, naturally much affronted by the slight put upon him by the Court of Directors, hesitated at first to undertake the office; but the general feeling in favour of his being placed at the head of the government was so strong that he yielded and assumed the office of President".[1] It is absurd to suppose, with some writers, that Clive's exclusion "was due to jealousy at the East India House of his commanding powers". The Company wanted strong and capable men; it admired Clive, whom Pitt had called a "heaven-born general," and instantly on receiving news of the turn events had taken in Bengal, wrote appointing him President and Governor in Bengal.

At this eventful period, while there was no war

[1] Sir J. A. Arbuthnot's *Lord Clive.*

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between England and Holland, the Dutch were watching with envy and alarm their ancient rivals gradually build up an empire in India; the moment seemed to them favourable for curbing the English Company's power. A force was got together at Batavia of seven armed vessels, bearing 800 Europeans and 700 Malay troops, and in August, 1759, the first of these men-of-war arrived in the Hugli. The wily Mir Jafir pretended to be in an agony of alarm, but although Clive obtained his order that the Dutch troops, cannon and stores should not be landed, no attention was paid to the order, and the English Governor was obliged to stop the landing by force in spite of the protests of the Dutch factory at Chinsura. In October Mir Jafir himself came to pay a visit to Calcutta. A day or two later six more Dutch ships were reported in the Hugli. "Now," reported Clive, "the Dutch mask fell off, and the Nawab (conscious of having given his assent to their coming) was greatly confused and disconcerted." Albeit he affected to make light of the matter, and a little later coolly informed Clive that he had "thought proper to grant the Dutch some indulgence in the way of trade," and that they on their part had promised to retire with their ships and troops.

The Dutch themselves gave the lie to this by moving on up the river towards Calcutta; Dutch agents began enlisting recruits at Chinsura, Cossimbazar and Patna, and the Nawab's son was known to be closely implicated. Whereupon Clive lost patience; he resolved at all hazards to put an end

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to this underhanded business. Forde, with a force of 300 Europeans, 800 sepoys and 150 native cavalry, was sent to block the way to Chinsura, while three of the Company's cruisers were ordered to intercept the Dutch fleet. Forde obeyed his instructions, but hesitated to fight a foe against whom no hostilities had formally been declared. In this quandary he sent a message to Clive. The latter had no such qualms; he regarded the Company, whether rightly or wrongly, as a sovereign power, whose authority to make war and peace in this corner of the world was not dependent upon European kings and cabinets. That authority was delegated to him. He was deep in a rubber of whist at the fort when Forde's note arrived; he paused a moment merely to write in pencil on a slip torn from the note: "Dear Forde—Fight 'em immediately, and I'll send an order of Council to-morrow". Accordingly the Dutch were promptly fought; the engagement was brief, bloody and decisive; 500 were killed and wounded, and 350 Dutch and 200 Malays were taken prisoners. In the Hugli six out of the seven Dutch vessels were captured. The factory at Chinsura now implored a cessation of hostilities; they frankly acknowledged their error, apologised and offered to pay all costs and damages. They also agreed never to maintain more than 125 European soldiers in Bengal. On this humble submission the captive ships were restored, and Meeran, the Nawab's rascally son, who had been hovering near in the hopes of plundering whichever should prove to be the vanquished party,

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was forced to fly. The crestfallen Dutch and their intended ally, the Nawab, could now reflect upon the failure of their plot at their leisure.

This proved to be Governor Clive's last public act during his first Bengal administration. Early in June, 1760, accompanied by the gallant Colonel Forde, whom he had vainly pressed the Company to appoint commander of its army,[1] he embarked for England. In an investigation into the affair, which was subsequently held in Europe by Dutch and English commissioners, Clive was exonerated from all blame ; indeed, high approval of his conduct was expressed both by the Company and the Government. His disinterestedness is sufficiently attested by the fact that while it was occurring £180,000 of his private fortune lay in the hands of the Dutch Company, who might easily have kept the money in revenge and as compensation for the losses occasioned by their misguided ambition.

The stirring events in India which have been described could hardly fail to make a deep impression on the public mind in England. It began to be perceived by the wiser statesmen of the time that the Company's sudden rise to power and territorial sovereignty on so large a scale rendered its constitutional relations with the authorities at home, in the absence of any formal working arrangement, a matter of some perplexity, if not positive danger.

Moreover, of late years, the possibility of the

[1] In succession to Lawrence, on whose return to England the Company granted him (1760) £500 a year for life. Clive added another £500.

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conquest, not merely of Bengal and the Carnatic, but of the whole Mogul Empire, had become familiar to advanced European cabinets. As far back as 1746 a certain Colonel James Mill, who had lived twenty years in India, drew up a project of conquest which he submitted to the German Imperial Court. "The Mogul Empire," he wrote, "is overflowing with gold and silver; she has always been feeble and defenceless. It is a miracle that no European prince with a maritime power has ever attempted the conquest of Bengal. By a single stroke infinite wealth might be acquired, which would counterbalance the mines of Brazil and Peru. . . . The British nation would co-operate for the sake of the plunder and the promotion of their trade. The East India Company should be left alone; no Company can keep a secret."[1]

The opponents and detractors of the Company argued that, as the recent conquests had been effected chiefly with the aid of the King's ships and troops, the authority of a mere body of traders should be swept aside, and the rewards and responsibilities of civil and military administration in Hindustan should unhesitatingly under the circumstances be assumed by the Crown.

Chief among those who held these views, it soon began to be publicly known, was the Company's most distinguished servant, Robert Clive himself. From Calcutta, on the 7th January, 1759, he had addressed a letter to Pitt, the Prime Minister, ex-

[1] This important memorandum is not to be found in any of the Indian histories. See Bolt's *Affairs in Bengal*, Appendix; Wheeler's *Early Records*.

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pressing somewhat guardedly his opinion of the expediency of transferring the supreme control of the management of Indian affairs to the Crown. This letter is of such interest and importance, as coming from Clive and as being a full century in advance of the period when the policy he suggested was actually and fully adopted, that it would be well for us to note carefully its leading passages.

"The great revolution that has been effected here," he wrote, "by the success of the English arms and the vast advantages gained to the Company by a treaty concluded in consequence thereof have, I observe, in some measure engaged the public attention; but much more may yet in time be done if the Company will yet exert themselves in the manner the importance of their present possession and future prospects deserves. I have represented to them in the strongest terms the expediency of sending out and keeping up constantly such a force as will enable them to embrace the first opportunity of further aggrandizing themselves; and I dare pronounce from a thorough knowledge of this country's government and of the genius of the people acquired by two years' application and experience that such an opportunity will soon offer. The reigning Subah, whom the victory at Plassey invested with the sovereignty of these provinces, still it is true retains his attachment to us, and probably while he has no other support will continue to do so; but Mussulmans are so little influenced by gratitude that should he ever think it his interest to break with us, the obligations he owes us would prove no

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restraint; and this is very evident from his having lately removed his Prime Minister and cut off two or three principal officers all attached to our interest and who had a share in his elevation. Moreover, he is advanced in years, and his son is so cruel and worthless a young fellow and so apparently an enemy to the English, that it will be almost unsafe trusting him with the succession. So small a body as 2,000 Europeans will secure us from any apprehensions from either the one or the other; and in case of their daring to be troublesome, enable the Company to take the sovereignty upon themselves.

"There will be the less difficulty in bringing about such an event, as the natives themselves have no attachment whatever to particular princes; and under the present Government they have no security for their lives or properties, they would rejoice in so happy an exchange as that of a mild for a despotic government; and there is little room to doubt our easily obtaining the Mogul's sunnud (or grant) in confirmation thereof provided we agree to pay him the stipulated allotment out of the revenues, *viz.*, fifty lakhs annually.

"This has of late years been very ill-paid, owing to the distractions in the heart of the Mogul Empire, which have disabled that Court from attending to their concerns in the distant provinces; and the Vizier has actually wrote to me, desiring I would engage the Nawab to make the payments agreeable to the former usage; nay, further, application has been made to me from the Court of Delhi to take charge of collecting this payment, the person en-

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trusted with which is styled the King's Dewan, and is the next person both in dignity and power to the Subah. But this high office I have been obliged to decline for the present, as I am unwilling to occasion any jealousy on the part of the Subah; especially as I see no likelihood of the Company's providing us with a sufficient force to support properly so considerable an employ, and which would open a way to secure the Subahship for ourselves. That this would be agreeable to the Mogul can hardly be questioned, as it would be so much to his interest to have these countries under the dominion of a nation famed for their good faith, rather than in the hands of people who, a long experience has convinced him, never will pay him his proportion of the revenues unless awed into it by the fear of the Imperial army marching to force them thereto.

"But so large a sovereignty may possibly be an object too extensive for a mercantile company; and it is to be feared they are not of themselves able, without the nation's assistance, to maintain so wide a dominion. I have therefore presumed, sir, to represent this matter to you and submit it to your consideration, whether the execution of a design that may hereafter be still carried to greater lengths, be worthy of the Government's taking it into hand. I flatter myself I have made it pretty clear to you, that *there will be little or no difficulty in obtaining the absolute possession of these rich kingdoms*; and that with the Mogul's own consent, on condition of paying him less than a fifth of the revenues thereof. Now I leave you to judge whether an income yearly

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of upwards of two millions sterling, with the possession of three provinces abounding in the most valuable productions of nature and of art, be an object deserving the public attention: and whether it be worth the nation's while to take the proper measures to secure such an acquisition; an acquisition which, under the management of so able and disinterested a Minister, would prove a source of immense wealth to the kingdom, and might, in time, be appropriated in part as a fund towards diminishing the heavy load of debt under which we at present labour. Add to these advantages the influence we shall thereby acquire over the several European nations engaged in the commerce here, which these could no longer carry on but through our indulgence and under such limitations as we should think fit to prescribe. It is well worthy consideration that this project may be brought about without draining the mother country, as has been too much the case with our possessions in America. A small force from home will be sufficient, as we always make sure of any number we please of black troops, who, being both much better paid and treated by us than by the country powers, will very readily enter into our service. Mr. Walsh, who will have the honour of delivering to you this, having been my secretary during the late fortunate expedition, is a thorough master of the subject, and will be able to explain to you the whole design, and the facility with which it may be executed, much more to your satisfaction and with greater perspicuity than can possibly be done in a letter. I shall, therefore, only further remark that I have communicated it to no other

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person but yourself; nor should I have troubled you, sir, but from a conviction that you will give a favourable reception to any proposal intended for the public good."

Clive's mind had been disturbed by the constant quarrels between the officers of the King and those of the Company, owing to the absence of a definite understanding, and also by resentment towards the Company because the directors would not supinely comply with all his demands. The truth is, Clive was proud, obstinate and opinionated; he was very difficult to hold in check. *Vixere fortes ante Agamemnona.* The East India Company had done great things before Clive; it had had capable and gallant servants before Clive, and it was by no means ready to put itself utterly under the yoke of a master. With all its faults and shortcomings its Court of Directors could still boast some men of ability and influence. Sulivan, for example, however friendly to Clive, by no means intended that the seat of authority should be transferred from Leadenhall Street to Fort William. If, as was vehemently proclaimed, the Company had employed King's soldiers, it had also paid them well; it had given them their share of prize money, it had housed, fed and equipped them far more bountifully than the British Government did its German mercenaries. If the King's soldiers on their part had helped to win the Company's battles, the campaigns had been directed by the Company's servants acting under its orders, and upon it fell the expense and the responsibility. Clive did far less than justice to his

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real knowledge: he continually forgot that he was a subordinate in the employ of a sovereign power. He took a tone in answering their very moderately reproving despatches—nay, more, he incited others of his Council to do so—which he never would have adopted in addressing a Minister of State. At length, his pride in his conquests pushed him too far. To a despatch addressed to the President and members of the Council of Bengal shortly before his departure he composed a reply which concluded in the following language—"language," says his latest and in some respects his best biographer, "seldom used by subordinate officials, however high in rank, when addressing their official superiors":—

"Having fully spoken to every branch of your affairs in this Presidency, under their established heads, we cannot, consistent with the real anxiety we feel for the future welfare of that respectable body from whom you and we are in trust, close this address without expostulating with freedom on the unprovoked and general asperity of your letter per *Prince Henry* packet. Our sentiments on this head will, we doubt not, acquire additional weight from the consideration of their being subscribed by a majority of your Council, who are at this very period quitting your service, and consequently independent and disinterested. Permit us to say that the diction of your letter is most unworthy yourselves and us, in whatever relation considered, either as masters to servants or gentlemen to gentlemen. Mere inadvertences and casual neglects arising from an unavoidable and most complicated confusion in the

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state of your affairs, have been treated in such language and sentiments as nothing but the most glaring and premeditated faults could warrant. Groundless informations have without further scrutiny borne with you the stamp of truth, though proceeding from those who had therein obviously their own purpose to serve, no matter at whose expense. These have received from you such countenance and encouragement as must most assuredly tend to cool the warmest zeal of your servants here and everywhere else: as they will appear to have been only the source of general reflections thrown out at random against your faithful servants of this Presidency in various parts of your letter now before us—faithful to little purpose if the breath of scandal joined to private pique or private or personal attachments, have power to blow away in one hour the merits of many years' services, and deprive them of that rank and those rising benefits which are justly a spur to their integrity and application. The little attention shown to these considerations in the indiscriminate favours heaped on some individuals and undeserved censures on others, will, we apprehend, lessen that spirit of zeal so very essential to the well-being of your affairs, and consequently in the end, if continued, prove the destruction of them. Private views may, it is much to be feared, take the lead here from examples at home; and no gentlemen hold your service longer, nor exert themselves further in it than their own exigencies require. This being the real present state of your service it becomes strictly our duty to represent it in the strongest light,

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or we should with little truth and less propriety subscribe ourselves, may it please your honours, your most faithful servants."

This unusual communication from a servant to a master was signed by Clive, Holwell, W. B. Sumner and W. M'Guire. The result was what might have been expected. The three last-named were promptly dismissed from the Company's service, although Holwell was then actually in possession of the governorship, pending the arrival of Henry Vansittart from Madras.

Yet, while the Company could not but feel a natural displeasure at the behaviour of Clive in his capacity of official subordinate, it had nothing but admiration for his great abilities and achievements in India. It welcomed the soldier and administrator on his return in the autumn of 1760 with enthusiasm. It voted a statue of him to be set up in the East India House, and had struck a medal in his honour. It rejoiced when the young King, then newly ascended upon the throne, came to bestow upon its late servant an Irish peerage. On the other hand it did not lose its jealousy of Clive's influence in opposition to its policy, or its apprehension that he might damage its sovereign interests. It could, when it learned the fact, hardly forgive Clive's letter to Pitt, which assuredly should not have been written while Clive was in the Company's service.

The ablest and most popular member of the Court of Directors had been amongst the earliest admirers and patrons of Clive at East India House.

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To Sulivan's judgment Clive himself had paid tribute.

In spite of Sulivan's admiration of Clive and his indebtedness to him, he soon began to perceive in him a dangerous rival. He sought to repress Clive's ambition regarding Indian affairs, and for a period met with success. In one of Clive's private letters to Mr. Pybus at Madras he writes as follows :—

"The Court of Directors seem to be much in the same situation as when you left England. Sulivan is the reigning director, and he follows the same plan of keeping every one out of the direction who is endowed with more knowledge or would be likely to have more weight and influence than himself. This kind of political behaviour has exasperated most of the gentlemen who are lately come from India, particularly those from Bengal. They are surprised I do not join in their resentments; and I should think it very surprising if I did, considering I have such an immense stake in India. My future power, my future grandeur, all depend upon the receipt of the jaghire money. I should be a madman to set at defiance those who at present show no inclination to hurt me. I have so far fallen into this way of thinking as to preside at a general meeting of a club of East Indians, once a fortnight, and this has all the effect I could wish of keeping Sulivan in awe, and of convincing him that, though I do not mean to hurt him, I can do such a thing if he attempts to hurt me. Indeed, I am so strongly supported by the Government and by Parliament that I should not be afraid of an attack from the whole

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body united; but there is no necessity of wantonly exciting them to attempts against my interest."[1]

Sulivan, as we have had occasion to remark, took the interests of the Company strongly to heart, and was fully convinced in his own mind of the way in which its affairs should be conducted; he was not one easily to be overborne in his opinions. He strongly resented Clive's interference; and in this he carried most of his fellow-members of the Court of Directors with him. When he formed the acquaintance of Colonel Eyre Coote he was so impressed with that officer's ability that he determined to procure Coote's appointment as commander of the Company's army in Bengal. The rest of the directors in this, also, shared his views. In vain Clive pressed the claims of Forde upon them: he had, it appeared, virtually promised the succession to his friend; Coote, notwithstanding, was appointed, and Clive's resentment knew no bounds. Yet, surely the Company had a right to select its own servants; and, in this case, its choice proved an excellent one.

It soon began to appear that Clive was bent upon urging reforms in the Company's service without due regard to the opinions of Sulivan and his fellow-directors. Soon after his return he entered Parliament as member for Shrewsbury on the side of Pitt.

In a private note to the Chairman of the Directors Clive relates an important interview he had with the Minister on the subject of the support and welfare of the Company. "Mr. Pitt seems thoroughly

[1] Malcolm, *Memoirs of Lord Clive.*

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convinced of the infinite consequence of the trade of the East India Company to the nation; he made no scruple to me of giving it the preference to our concerns in America. Indeed, a man of Mr. Pitt's influence and way of thinking is necessary to oppose to the influence of Lord Anson, who certainly is no friend to our Company." Such sentiments expressed to the Company, it will be thought, hardly tally with those of Clive's previous letter to Pitt. But it might also be an indication that Clive's opinions, now that he had returned home, were undergoing a salutary change. His own stake in the Company was great, and was, as we shall see, increasing.

Clive's popularity with the King and nation had the effect of increasing Sulivan's jealousy and of causing him serious alarm. No overt act occurred, however, at the time, but before the next general election Clive made up his mind to oppose the "autocrat of the India House".

Clive delivered himself of an honest expression of his feelings in a letter to Henry Vansittart. He says: "There is a terrible storm brewing against the next general election. Sulivan, who is out of the direction this year, is strongly opposed by Rous and his party, and by part, if not all, of the East Indians (particularly the Bengalees) and matters are carried to such lengths that either Sulivan or Rous must give way. . . . I must acknowledge that in my heart I am a well-wisher for the cause of Rous, although, considering the great stake I have in India, it is probable I shall remain neuter. Sulivan might have attached me to his interest if he had pleased,

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but he could never forgive the Bengal letter, and never has reposed that confidence in me which my services to the East India Company entitled me to. The consequence has been that we have all along behaved to one another like shy cocks, at times outwardly expressing great regard and friendship for each other."

Sulivan and Clive were, as Sir John Malcolm says, so widely apart in their politics and in their personal views and connections, that only prudential considerations now prevented a rupture.

Pitt went out of office in October, 1761, and Clive joined the party of Grenville. Bute, Pitt's successor, counted Sulivan amongst his adherents, and the two men, he who had done the most for the Company in India and the one who held the most power in it at home, added to their hostility over the Company's affairs by becoming fierce political enemies. But the conqueror of Plassey, with his vast wealth and desires concerning India administration, had no intention that Sulivan should continue to possess the most power at home. Each £500 of stock gave a vote at the Court of Proprietors, and £2,000 qualified for a directorship. Determined to acquire votes for friends who would support his projects of reform, Clive set about spending £100,000 in their acquisition. Sulivan, on his part, announced that the question of Clive's title to the jaghire, which Mir Jafir had conferred upon him, was under consideration by the Company. This threat caused Clive to pause, but it was too late to draw back now; the election was duly fought and

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Sulivan was chosen chairman of the Court. One of his first acts was to sign orders from the Company to Governor Vansittart at Calcutta, prohibiting any further payments to Clive on account of the jaghire. Clive's reply was to file a bill in Chancery against the Company, and to notify Vansittart and his Council that if the annual payment to him of the amount, £27,000 to £30,000, were discontinued, he would enforce his claim at law in Calcutta, where he knew he should be heard.

Although Sulivan's ascendency in the Court of Directors was complete, his opponents among the proprietors became numerous and bitter. The most prominent among these were servants who had been in Bengal, and who did not approve of the ascendency the servants of Madras and Bombay had frequently exercised over those of Bengal. They accused Sulivan of being more attached to Bombay.

Naturally, those who had been disgraced in India came home full of resentment, and "freely in their discourse imputed the injuries they had received to one man only"—and that man Sulivan. He was called the Governor and the "Great Director"; with a body of adherents at his back, he proceeded to make and unmake fortunes. He wrote to Vansittart that "he was his earthly creator," "he thought he had pretty well subdued the spirit of Bengal". When he took a journey to interview Pitt, it was a standing jest at Bath that "the India Company was come amongst them". He alone planned the Company's leading ventures, including the Manila expedition.

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But Time was rapidly bringing in its new triumphs for Clive. Events were even at that very moment happening in India which were to give him once more an ascendency in the Company's affairs. In Bengal the calm which appeared to prevail throughout the province on his departure was, as he expected it to be, of brief duration. But, before the storm broke here, French power in the Carnatic, and, indeed, in all India, had been levelled in the dust.

In December, 1759, the French, led by Lally and Bussy, were beaten by Eyre Coote at Wandewash with heavy loss. Lally retreated with the remnants of his army to Pondicherry. Gradually the French flag was struck at every place where it had lately floated so triumphantly; their whole territory was laid waste by fire and sword. Pondicherry held out until the 4th January, 1761, when the starved garrison surrendered to Coote, and the impetuous and misguided Lally went back to France to die a shameful death. The Company sent out orders that the town and fortifications of Pondicherry should be levelled to the ground, and this was accordingly done. By April the French had not a single military post in all India.

It was little likely when Madras was pressed for money that the Company's Council would hesitate to squeeze the Nawab. When it was found that twenty-eight lakhs were insufficient to meet expenses, fifty were boldly demanded. Already he was deeply in debt, yet the sum was forthcoming. Mohammed Ali had formerly agreed to pay for the cost of the defence of Madras, "because it was the residence of

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his friends". He was now asked to pay for the siege of Pondicherry on the ground that this was the residence of his enemies. He agreed, but on condition of having the stores turned over to him when Pondicherry fell. When this event happened the Nawab was credited with the value of the stores in the Madras books. But on learning of the transaction the Court of Directors sent orders to cancel the sum thus credited.

Pigot might exchange fair words with the Nawab, but when it came to a question of cash the Company made as light of the Nawab's suzerainty "rights and property" as ever, in later times, did Warren Hastings of the authority the Mogul.

On the 13th June, 1760, the Nawab wrote a letter to Pigot proposing that twenty-eight lakhs of rupees, charged upon the gross revenues of the Carnatic, should be paid annually to the Company, until his debt should be extinguished, and that, in addition, the Nawab should advance annually three lakhs of rupees to the paymaster at Trichinopoly "for defraying the expense of the Company's people in that garrison". But, "should Pondicherry be reduced, the whole money due to the Company, should be paid in one year, provided the English should add a proper force to the troops of the Nawab, to bring to account such vassals of the Carnatic as had withheld their tribute and allegiance during the late troubles." In return, the Nawab of the Carnatic named certain demands. He asked that the Company should not countenance the refractoriness of any of his dependents; also that the

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Nawab's flag should be hoisted in the different country forts in lieu of the English, and that the alliance between him and the Company should be continued to his successor. To all this Pigot did not hesitate to agree: what mattered the semblance of power when the Company possessed the substance?

"By the blessing of God," wrote the President, "the Company will never fail to give proofs of their friendship and sincerity to you and your family, and will be firm in supporting you and your posterity in the Subahdary of the Carnatic."[1]

In Bengal, Clive's temporary successor, Holwell, had made up his mind to displace Mir Jafir, whom he had long disliked and distrusted. He imparted his plans to Vansittart on the latter's arrival, who fell in with Holwell's views. The necessity for a more capable Nawab was soon rendered all the greater in that the Mogul had just been murdered by his Vizier at Delhi, and the Shahzada, assuming the state and title of emperor, again threatened Bengal. He collected a large army, and that very Nawab of Oude who had shown him such scant hospitality the year before he created his Vizier. Forthwith Shah Alum and the Nawab Vizier attacked Patna; a course of anarchy and bloodshed seemed imminent. Vansit-

[1] The Company's servants in India had all along known the value attached to forms of expression. In a private letter to the Nawab's wife, dated 1st July, 1760, Pigot says, "The Company has, with great pleasure, agreed to all his Excellency's business, agreeable to his desire; and they most cordially wish prosperity to his affairs, being obedient to him." This was written immediately after he had squeezed his "master" to the tune of fifty lakhs.

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tart, therefore, without more ado, removed Mir Jafir from the Nawabship of Bengal and conferred the post upon his son-in-law, Mir Cossim, on condition that the districts of Burdwan, Midnapur and Chittagong should be made over to the Company. The members of the Council themselves expected to receive £200,000, of which Vansittart's share was to be £28,000. The deposed Nawab was given an asylum in Calcutta.

In January, 1761, the Company's troops advanced against Shah Alum and roundly defeated him and his allies. The Mogul retired towards Delhi, then the centre of the most fearful anarchy and confusion, whence he soon afterwards sent Mir Cossim letters of investiture in his Nawabship. In return, Mir Cossim, hoping thereby to be independent of the English, secretly promised to pay an annual tribute of twenty-four lakhs or £240,000 sterling into the Imperial Exchequer.

The new Nawab soon evinced himself to be a man of capacity and firmness, bent on emancipating himself from the English. He moved his capital from Murshedabad to Monghyr, 200 miles further from Calcutta, where he could train and discipline an army without any embarrassing surveillance.

Governor Vansittart had no sooner learnt of Mir Cossim's receipt of sunnuds from the Great Mogul (alas, no longer great!) than he himself determined to apply for similar ones on the Company's account. He asked to be confirmed in the jaghire lands granted by Mir Jafir and in the three districts latterly ceded. He demanded also sunnuds investing

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Mohammed Ali with the government of the Carnatic. Shah Alum refused to accede unless the imperial share of the revenues of the Carnatic, in addition to that of the three Bengal districts, were forwarded to him annually. This refusal seems to have surprised and offended both Vansittart and the Company. Nevertheless, the Governor was advised at the same time that the Mogul "had offered to confer on the Company the Dewani of Bengal on condition to our being answerable for the royal revenues; but as we were sensible that our accepting of this post would cause jealousy and ill-will between us and the Nawab we thought it more prudent to decline it".[1]

This was not, however, the first time the Dewani had been offered to the Company; the proposal had already been made and had been refused by Clive, who was four years later to accept it.

Mir Cossim's impatience at restraint from Calcutta daily increased. In order to replenish his treasury, which had been depleted by their perpetual demands, he was shamefully permitted by Vansittart to fall upon the able Hindu governor of Patna, Ram Narain, who was believed to possess great wealth. This unfortunate man was thrown into prison, his house plundered and his friends and servants tortured to exact a confession of hidden treasure. Little of this was found, and the Nawab was with difficulty restrained from putting Ram Narrain to death. As it happened, the execution was only deferred. This action, to which Vansittart was

[1] Letter from Bengal Council to Company, 12th November, 1761.

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a party, occasioned a storm of protest from many of the Company's servants. It was certainly a terrible blunder on the part of the Governor; it was taken by the native chiefs as an indication of the Nawab's power, and caused them to go over to his side. It gave birth also to a spirit of opposition in the council chamber and in the factories, which needed all Vansittart's strength to allay sufficiently to carry on the Company's business. While the discord was at its highest pitch the letter from the Court of Directors previously mentioned, dismissing the three members of the Council upon whom the Governor chiefly relied at this crisis, was received at Calcutta. The triumphant faction now proceeded to the appointment of Ellis, a bitter enemy of both Vansittart and the Nawab, to be chief factor at Patna. This person was violent and arbitrary; his intemperate conduct soon foreshadowed overt enmity between the English and Mir Cossim.

By virtue of a privilege years before granted to the Company, its servants were exempt from inland duties on all goods intended for exportation, which were specified in a passport signed by the president. This privilege had lately been grossly abused. Every private trader, and even every native connected with the Company boldly asserted his right to conduct a trade free of all duty; while, on the other hand, the less fortunate subjects of the Nawab were everywhere taxed 40 per cent. on each article of merchandise. Naturally, the native merchants loudly complained of such injustice to the Nawab, who remonstrated with the Council. Van-

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sittart was prepared to come to some equitable arrangement, but his fellow-members, intent on filling their pockets, overruled the plan he had drawn up. In retaliation, Mir Cossim published an edict abolishing all duties throughout Bengal. The Council promptly characterised this edict as an act of hostility against the Company, and demanded its instant repeal. But Mir Cossim paid the scantiest attention to this demand. Both sides made ready for the argument of the sword.

In the meantime, in the Carnatic, by the fall of Pondicherry and the continued subservience of the Nawab, Mohammed Ali, the Company enjoyed a power and prestige which a few years before would have exceeded its most sanguine dreams. Its position was almost that of a sovereign, while the real sovereign whom it had raised to the throne, here as elsewhere, appeared little more than a lay figure. Besides large demands on his exchequer, a jaghire was solicited similar to that granted by the Nawab of Bengal. Mohammed Ali did his best to comply, and Pigot, at the head of the Madras Council, lent him troops for his campaigns. Mohammed Ali especially wished to vanquish and annex Tanjore, but the Company steadily refused to countenance this plan, which would upset the balance of power. This dispute between the two princes Pigot and his Council undertook to settle by arbitration. As a matter of fact, the quarrel was not between two independent states, the Rajah of Tanjore being a tributary vassal of the Mogul Empire, and the Nawab the Mogul's deputy in the Carnatic, to whom the Rajah was

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accountable. But these distinctions were lost in the general confusion; and Pigot, by appointing himself mediator, was forcing acceptance of the Company as a sovereign power, whose sovereignty was based on actual power.

On 30th January, 1762, he wrote to Pertab Singh, "It will always give me very great concern to be obliged to spill human blood, or forcibly dispossess any prince of his country; but rebels must be punished, if they will not hear reason". In a letter to the Nawab, dated 31st May, the Company's President wrote: "The settling all affairs in this part of the country has been left entirely to you. The present case is different. I consider the King of Tanjore as a sovereign prince. . . . *It is a custom when two States disagree to call in a third to judge between them. I offered myself as such and therefore the treaty must be conducted by me.* I act as mediator, the affair cannot, according to custom, be discussed in your durbar."

Truly, this was high language from "the chief agent of a mercantile factory"! But Pigot possessed all the power he boasted, and a treaty was concluded by which Tanjore was obliged to contribute twenty-two lakhs of rupees as arrears of tribute and an annual contribution of four lakhs. This was really less than his predecessors had paid. Four lakhs further were given as a present to the Nawab, *i.e.*, to the Company.[1]

[1] The entire sum was transferred to the Company's treasury and the Nawab credited with it in the Company's books. As to the present of four lakhs the Company, in its letter of 30th December, 1763,

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Mohammed Ali might wriggle as he chose: the treaty dictated by Governor Pigot was concluded; and when the Nawab refused to subscribe, Pigot seized his *chop* and with his own hand in the Nawab's presence affixed the stamp to the deed.

By the Treaty of Paris, which in 1762 put an end to the war in Europe between the French and English, the latter were confirmed in their conquests in India. Mohammed Ali was acknowledged lawful Nawab of Arcot, the first Indian prince, together with the Nizam, ever mentioned as an ally in a solemn treaty between European Powers. Before resigning the Governorship of Madras in October, 1763, Pigot induced the Nawab to issue unconditional sunnuds to the Company, granting it territory worth annually fourteen lakhs of rupees.

Pigot's dealings with the Nawab were somewhat high-handed, it must be confessed. He first merely asked of the Nawab some villages round Madras, and these only after a discharge of his debt to the Company. Later, he increased his demands, and wanted Conjeveram and other three districts. The Nawab reminded him of his having "ceded at different times St. Thomé, Luxudaporum, together with the fort and territory of Runamallan," and that, besides, he had relinquished the peishcush for Madras, which

said: "Now, if this last-named sum was given as a present it seems as if the Company ought to have it for their interposition and guarantee of the treaty. We shall be glad to have this affair explained to us, that we may know the real state of the case with respect to that donation." The affair was explained and the Company pocketed the cash.

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the Company was bound to pay, by the tenure by which it held that place.

Pigot declared that if the four districts were ceded "the Company would be extremely pleased and obliged to the Nawab, and would ever after assist him and his children with a proper force of Europeans, without desiring anything further. That till the Nawab had cleared off his debt to the Company, the revenues of those districts after defraying the expenses of the soldiers, should be placed to the credit of his account."[1] Mohammed Ali asked humbly that this should be put in writing. Pigot expressed extreme indignation at such a request. It did not become a man, he said, who owed the whole country to the Company to ask any conditions for a part of it. "The Company," he added significantly, "do not take anything from you; but they are the givers and you are a receiver."

Before leaving for Europe Pigot, with his great wealth, including the priceless "Pigot diamond," condescended to become the Nawab's agent in England, at an annual salary of 12,000 pagodas.

It is now time to return to Bengal. In the midst of all the disturbances, political and military, which we have described, it is not easy to present a picture of the disgrace and disorganisation which characterised the Company's internal administration through-

[1] But a war which about this time broke out against a recusant chief, Mohammed Issuf, in which the Nawab and the Company took part, soon emptied the joint exchequer. The rebel was not subdued until October, 1764, when more than a million sterling and the lives of many English as well as native soldiers had been expended.

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out this and the sister provinces. Never before nor since, not even in the palmy days of the interlopers, or the confusion occasioned by the fierce rivalry between the two Companies at the end of the seventeenth century, was to be witnessed such a spectacle of gross neglect and corruption. While the Company's officials enriched themselves by the unconscionable plunder of the native chiefs and subjects, the Company's annual investment steadily decreased. In vain did the Court of Directors write for explanation and redress. They ordered that an end should be put to a situation which threatened it with bankruptcy. The Company's servants were too greatly intent upon filling their own purses and profiting by the successive revolutions to pay much attention to orders from Leadenhall Street. "The servants of the Company obtained, not for their employers, but for themselves, a monopoly of almost the whole internal trade. They forced the natives to buy dear and sell cheap. They insulted with impunity the tribunals, the police and the fiscal authorities of the country. They covered with their protection a set of native dependents who ranged through the provinces spreading desolation and terror wherever they appeared. Every servant of a British factor was armed with all the power of his master, and his master was armed with all the power of the Company. Enormous fortunes were thus accumulated at Calcutta, while 30,000,000 of human beings were reduced to the extremity of wretchedness."

In one of its later letters the Company declares

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that the picture which their servants presented to them after reform had been commenced was that of a Nawab "disarmed, with a revenue of almost two millions sterling, for so much seems to have been left, exclusive of our demands upon him, at the mercy of our servants who had adopted an unheard of ruinous principle of an interest distinct from the Company. This principle showed itself in laying hands upon everything they did not deem the Company's property.

"In the province of Burdwan the Resident and his Council took an annual stipend of near £80,000 per annum from the Rajah, in addition to the Company's salary. This stands on the Burdwan accounts, and we fear was not the whole, for we apprehend it went further, and that they carried this pernicious principle even to the sharing with the Rajah of all he collected beyond the stipulated malguzari or land revenue, overlooking the point of duty to the Company, to whom properly belonged that was not necessary to the Rajah's support. It has been the principle, too, on which our servants have falsely endeavoured to gloss over the crime of their proceedings on the accession of the present Subah, and we fear would have soon extended to the grasping of the greatest share of the Nawab's revenue which was not allotted to the Company. In short, this principle was directly undermining the whole fabric; for whilst the Company were sinking under the burden of the war, our servants were enriching themselves from those very funds that ought to have supported the war."

At Merchant Taylors' Hall, in 1763, was held

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the fullest Court of Proprietors in the Company's history. It was presided over by Thomas Rous; Clive was not only present, but was also one of the principal speakers. The prevailing topic was the late peace and the Company's position in consequence. Rous was roundly assailed for not procuring better terms and preventing a restitution to the French of the forts in India in the treaty. He narrowly escaped a vote of censure. It appeared during the debates that the Company's income amounted then to between £600,000 and £700,000 per annum. Yet the expenses had grown so large that before the close of the year it was decided to reduce the dividends on the Company's bonds from 5 to 4 per cent., beginning with the following January.

Small wonder that the Court of Directors and the generality at home became a prey to serious alarm. Each vessel arriving from Calcutta brought only the same tale of misgovernment and extortion.[1] The Court of Directors "had long acted as mere spectators of the proceedings of their servants," and now "began to feel that the moment had arrived when some interference on their part was necessary". Endless recriminations had been poured in upon them, the parties mutually accusing one another of insubordination and disaffection, while the intelligence that war with Mir Cossim was inevitable, and that a number of their functionaries had been slain,

[1] Among other losses reported in this unlucky year, 1763, was that of the Company's ship *Elizabeth*, which took fire in the Canton river, and the captain, two mates and forty men perished in the explosion of her powder-hold.

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added strength to the alarm which such a state of things excited. Ignorant of the sequel to the political troubles, a demand arose for the reappointment of Lord Clive as the only man to save the situation. This demand was very naturally opposed by Sulivan and his fellow-directors, who believed matters were adjusting themselves, and that Spencer, who had been nominated to succeed Vansittart, could be trusted to effect the needed reforms in the administration. But the Court of Proprietors, panic-stricken at the jeopardy to their dividends, met at South Sea House and decided by an enormous majority of votes that Clive should be invited to return to Calcutta, not merely as Governor of Bengal but as Governor-General of all the Company's settlements in India. As to the jaghire, about which there was then dispute, they consented that it should be immediately restored to Clive for a period of ten years. Clive was satisfied, but made a further stipulation; he exacted that his enemy, Sulivan, should forthwith be removed from the chairmanship of the Company. This was a proposition most obnoxious to the Court of Directors, and it was further opposed by Lord Bute, who argued to the generality that Sulivan's services made it unjust. But the proprietors could think of nobody but Clive. The election of directors occurred in the April of 1764. Clive, while tentatively accepting the appointment, would not consent to take his departure until he learnt that Sulivan had been rejected. The Company's ship was ready, but he declined to sail. On the evening of the 25th it was known that out of the twenty-four

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directors one half were supporters of Clive and one-half of Sulivan. The votes of the new chairman and deputy-chairman, however, gave Clive the preponderance. But it was not sufficiently great for Clive to impress his will in all matters upon the Company, yet he managed to procure for the most part his own nominees to the Indian administration. He applied for authority to overrule the Council on his own responsibility whenever he deemed such a course necessary. But this bold form of dictatorship the Company was not yet prepared to concede; yet wishing to propitiate Clive they hit upon the idea of a Select Committee, nominated by and including him, which might act on such occasions independent of the Council.

The Chinese trade of the Company calls for little notice since the period last adverted to. The importation of tea from Canton continued on a huge and profitable scale, although it was subjected from time to time to much exasperating native interference and huge duties in England, which, however, the public cheerfully paid. From time to time we hear of disputes running high between the Company and the English tea dealers. "These gentlemen loudly called out for what they termed a redress of grievance, insisting on the Company's altering a new method they began at sale of putting up a single chest of tea in a lot, and that, to prevent *some people* from being customers, the lots should be as large as formerly. They presented a memorial to the Court of Directors, which was taken into consideration and deputies admitted to speak in support of it. After

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which the Court declared, they would proceed in this sale on the plan before concerted and they would have another sale in November next, and immediately continued the sale without interruption." [1]

In the year 1751 the Court authorised the supercargoes in China to expend what sum was necessary to obtain for the trade relief from exactions, and the following year unsuccessful attempts were again made towards the remission of the 1,950 taels and other port charges. The Company being anxious to reopen a trade at Ningpo, one Flint, linguist to the factory at Canton, was ordered to accompany the mission thither. In 1753 we find that two young men were sent out to Canton by the Court to study the language at the Company's expense. In 1757 the Emperor decided to restrict the foreign traders to Canton; in order to keep Europeans from frequenting Chusan, Ningpo or Amoy, he imposed double duty at each place, enforcing the landing of guns, arms, ammunition and sails. The local officers at Canton, having experienced the advantages derived from the increase of foreign trade, were naturally anxious to further this scheme.

Flint's mission to Ningpo proved, in 1759, a complete failure. He could not so much as get a supply of the common necessaries, still less carry on any trade. On the 6th of December he was ordered before the Viceroy at Canton, where, after base humiliations had been offered to the supercargoes who accompanied him, Flint was shown an edict, which,

[1] *Gentleman's Magazine*, 1748.

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the Viceroy said, was the Emperor's for his banishment to Macao for three years, after which he was to return to England and nevermore visit China. The unfortunate Company's servant was kept in confinement for nearly three years, and no letters were allowed to pass between him and the supercargoes. The incident created a considerable stir in England at the time, and evinced the penalties attending the Company's China trade. In 1760 a special mission was sent out by the Company to settle the differences between the Chinese and the supercargoes, who, since their attempt to trade with Ningpo, could not with decency themselves present any address from their masters to the authorities at Canton.

Captain Skottown, commander of the *Royal George*, was chosen for the mission, charged with a letter from the Court of Directors to the Viceroy, desiring the liberation of Mr. Flint and relief from existing grievances and exactions; but these representations were without avail.

Not until 1770 did the Court of Directors resolve that the supercargoes should reside permanently in China, and this practice was continued until the end of the Company's *régime* in trade.

In 1766 four of the Company's ships had arrived from China with no less than 1,707,000 lb. weight of tea, the duty on which at 4s. per lb. amounted to £341,000 sterling. Anderson estimates that one-third of this tea was exported, and, therefore, involved Customs drawbacks, but there would still remain a net duty of £227,600. "What

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an immense sum is this," he exclaims, "to be paid to the public for one single commodity!" What is still more surprising is that there was anybody in England to consume tea with a duty upon that article of 4s. a lb.!

In the summer of 1755 the Company's agent at Gombroon reported that "one M. Padree had arrived at Bussora, to remain there in quality of French resident". This seemed ominous, and the Company's resident at Bussora was instructed to keep a keen eye upon the Frenchman's movements, and to lose no opportunity of acquainting his masters of anything which tended to confirm their suspicions of his being a political and military spy. But, although war with France was duly declared, nothing of an overt nature happened until several years later. On the 12th October, 1759, a French fleet of four vessels, under Comte d'Estaing, flying Dutch colours, arrived off Gombroon. The next day they landed with two mortars and four pieces of cannon, and in conjunction with the ships began an attack on the Company's factory. Any protracted defence of such a position was useless; the chief and Council therefore capitulated, the factory and its contents (including over a million shahees in specie) being handed over forthwith to the French.[1] The Company's servants then retired to the Dutch factory, where soon afterwards they witnessed the complete de-

[1] A few months later Fort Marlborough in Sumatra was shamefully surrendered by the servants stationed there, and the Company's ship, the *Denham*, burnt, so as to prevent her falling into the hands of the French.

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struction of their late property by means of explosives, the ruins being subsequently pillaged by swarms of natives. The Company's ship *Speedwell* was also burnt. In vain, after the retirement of the enemy, the Company's agent rented new premises, and endeavoured to resume trade; business was at a standstill owing to the unsettled condition of the country, and the agent was directed to seek elsewhere for a place for a chief factory. He hit upon Bushire, as the only port between Gombroon and Bussora where any trade was carried on. But, although the local governor was favourably enough disposed and ready to grant exemption from Customs, yet the Court of Directors could not at first make up their mind to abandon Gombroon, where the Company had been established so long. They hoped matters would improve, but instead they only worsened. For a long time past, too, the Company had had so little business in Carmania that only a linguist was maintained there; at last, at the close of 1761, he was forced to give up, and joined the rest in idleness at Gombroon. "Not a merchant came to the place, whilst the servants of the factory were daily oppressed and forced into the service of the local Governor." The Company was finally convinced, and so in March, 1763, the factors were ordered to remove to Bussora, and during the same year a factory at Bushire was established. The Bussora factory was itself not recognised by the Sublime Porte until August, 1764, when the British Ambassador at Constantinople obtained, with great difficulty, a consulary permit, which, in effect, pro-

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tected the Company's commerce and property there. Nevertheless, Bushire was destined to become the Company's chief station in this part of the world until the close of its commercial career.

In 1765, as if the Company's Persian trade were not exposed to enough perils and impediments, the Chaub Arabs began their depredations, even to bold attacks on the Company's ships. The Directors promptly ordered an expedition to be sent against the marauders, who had entrenched themselves in several islands in the Gulf. The squadron left Bushire on the 7th November, but a week later one of the four vessels blew up, killing the commodore and most of those on board. This caused a delay of several months, and when at length the Arabs were attacked on the island of Karrack, the Company's force was repulsed. An attack on Ormuz was also abandoned, and the Arabs bade fair to drive the English traders out of the Gulf. To protect its trade the Company was forced to maintain a naval force constantly in those waters, no vessel being safe without a convoy.

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CHAPTER VII.

The Company Receives the Dewani.

A WEEK after Sulivan's overthrow, Clive made a formal statement to the Company of his opinions concerning the situation in India as he then believed it to be. "The princes of the country," he declared, "must in a great measure be dependent on us or we totally so on them." The action or non-action of the Bengal Council in allowing Mir Cossim's removal from Murshedabad to Monghyr, out of their immediate control, he emphatically condemned, "inasmuch as it is impossible to rely upon the moderation or justice of Mussulmans". He gave it as his conviction that all the Company's Indian possessions should be under one head, and furthermore, "if ever the appointment of such an officer as Governor-General should become necessary, he ought to be established in Bengal, as the greatest weight of your civil, commercial, political and military affairs will always be in that province".

Thus eastward the star of Empire was taking its way. In the days of Surat's actual hegemony Bombay had seemed to Sir Josiah Child the Company's natural capital: then it had crept round the peninsula to Madras: now it was Calcutta.

Clive sailed from Portsmouth early in June, 1764, but the voyage was exceptionally prolonged and

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he did not reach Madras, where he heard of the death of Mir Jafir, until the 19th April, 1765. In the interval great events had happened. We left Mir Cossim and the Bengal Council on the verge of war. Two of the Company's boats carrying 500 muskets for the Company's troops stationed at Patna were seized by the Nawab's orders. Preparations were at the same time made for securing Patna and driving out the Company's force at the Patna factory outside the town. To anticipate this design, a majority of the Council, contrary to the advice of Warren Hastings and other members, despatched a summons to Ellis to lay hold upon the citadel at Patna. Ellis, as may be supposed from his character, lost no time in complying: the citadel was surprised and captured on the night of the 24th June, 1763. At this exploit the Nawab broke forth in fierce rage, denouncing the treachery of the Company. Peter Amyatt, the late chief at Patna, on his way back to Calcutta was intercepted and slain, as were two Hindu bankers at Monghyr known to be attached to the English interests. At Patna Ellis's triumph was brief. His troops had been imprudently permitted to scatter through the town on plunder bent. In this disgraceful occupation the Nawab's army surprised them, drove them to their factory and from thence to the open country. They were finally captured and sent, with other English, in like plight, from the Cossimbazar factory, prisoners to Monghyr. Despite this violence, Vansittart, supported by Hastings, held it not too late to compromise with Mir Cossim. But both were over-ruled; the Coun-

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cil dragged forth the aged ex-Nawab, Mir Jafir, from his obscurity and again set him on the musnud. He readily assented to their every condition and forthwith took the field with a body of the Company's troops under Major Adams. Three battles were fought, one near Katwa, near Plassey, and the others at Gheriah and Andhwanala. The last-named two were severe, proving Mir Cossim's sepoys to have been trained to excellent effect; the skill and bravery of Adams alone prevented an English defeat at Gheriah. The deposed Nawab subsequently fled to the camp of the Nawab Vizier of Oudh, giving orders that all his prisoners, including Ellis, captured after the Patna affair, should be massacred. Ram Narrain, who had been abandoned by the Company to Mir Cossim's cupidity, was brutally murdered. With the Nawab Vizier the deposed Nawab of Bengal joined forces at Allahabad, where the Mogul was in the midst of a campaign. Subsequently the allies entered Behar, and after a fruitless battle under the walls of Patna, the Nawab Vizier, convinced of the hopelessness of the enterprise, showed a disposition to negotiate with the English. Just before this incident, in May, 1764, the first mutiny of the Company's sepoys took place and was promptly suppressed by the masterful Hector Munro, who blew twenty-four of the mutineers from the cannon's mouth. In October followed the battle of Buxar, which may be said to have placed the whole of Oudh and the North-Western districts under the control of the Calcutta Council.

It destroyed forever the power of the Nawab of

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Oudh by placing the Mogul under the protection of the Company, which was itself thereby elevated to the chief power among the sovereigns of India. The Mogul, rejoicing at being free of his importunate Vizier, proposed to enter into negotiation with Munro, as the representative of the Company. After writing for and receiving instructions from Calcutta, a definitive treaty was drawn up and ratified by both parties. It secured the possession of Gazipur and the other territories of the Rajah of Benares to the Company, who, on its part, agreed through its Calcutta servants to wrest from Suraj-ud-Daulah Allahabad and his other dominions for the Mogul, who would subsequently pay the expenses of the war out of his imperial revenues. The orders were given to the troops, but the whole scheme was upset by news of a fresh revolution in Bengal. Poor Mir Jafir, perpetually harassed by the Calcutta Council for money, and seeing his country going to ruin, sank into a decline, and died in January, 1765.

The Calcutta Council now had the option of restoring to the Mogul the sovereign authority over Bengal, Behar and Orissa; in acquiescing in his appointment—the legitimate privilege of the Mogul emperors—of a Nawab; they might again flout this traditional right and set up a Nawab of their own choice, or they might themselves assume the Subahdary or Nawabship on behalf of the Company. This had been previously offered to them, and the offer had been lately renewed by Shah Alum in his negotiations with Major Munro. When this choice pre-

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sented itself to the Council, Vansittart had resigned and been succeeded by Spencer, the next in rotation. Spencer lost little time in declaring for a plan by which he and his colleagues "could retain the substance of power, while they entrusted the shadow and the labour to another". But the chief reason why the Council shrunk from sovereignty seems to have been the expectation of a rich harvest of gifts individually to themselves, and this, notwithstanding that a fortnight before Mir Jafir's death they had received a despatch from the Company positively forbidding them to accept presents from the natives, and requiring them to execute covenants framed to secure obedience to this order.[1]

Two candidates appeared for the Nawabship—Mir Jafir's natural son, Nazim-ud-Daulah, a lad of eighteen, and a grandson by Miran, aged six. As tidings of Clive's impending arrival came to hand, no time was to be lost; the first named was raised to the throne. "Nazim-ud-Dowlah," observes Mill shortly, "could give presents; the infant son of Miran, whose revenues must be accounted for to the Company, could not." The value of the presents thus exacted were subsequently ascertained to amount to £140,000.

Altogether unaware of the action of Spencer and the Calcutta Council concerning the successor in the

[1] "The members of the Council read the despatches and cast them aside as waste paper, while they excused themselves by carelessly observing that the Honourable Court could not possibly be aware when the letters were written of the mighty changes which had of late occurred in the state of the country."—Gleig's *British India.*

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Nawabship, Clive determined, as soon as he got to Bengal from Madras, to appoint the infant grandson of Mir Jafir to the throne. But he found his plans overturned when, a fortnight later, he learnt the facts of the situation from Spencer's own lips at Calcutta. He was very angry at Spencer's conduct, declaring he had degraded the Governorship, which "had been hunted down, stripped of its dignity and then divided into sixteen shares," the number comprising the Council. He quickly declared the Council dissolved and proceeded with his work of reforms. His Select Committee was appointed to procure the immediate execution of the covenants which had been treated with such scant courtesy by the Council. Every servant was compelled to sign an agreement not to receive any presents from the natives in the future. General Carnac in the West prudently delayed appending his signature, it is said, until he had accepted a gift of two lakhs of rupees from the Mogul.

On 25th June Clive left Calcutta to transact a new arrangement with the Nawab, Nazim-ud-Daulah, for the government of the provinces, and to seek a treaty of peace with the Nawab Vizier of Oudh. It needed but little pressure to induce the feeble Nawab whom the Council had set up to consent to surrender into the Company's hands his entire revenues, together with the administration of the provinces, in return for an annual pension of fifty-three lakhs of rupees, subject to the control of three agents, one an Englishman, nominated by the Company.

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This surrender of the Dewani, or the collection and administration of the revenue, is justly held to mark the culmination of a most momentous period in the Company's career. Ratification by the Mogul rendered the chartered body of merchants in Leadenhall Street, London, in title as well as in fact, a ruler in Bengal, and the process thus begun in Bengal was to continue until all India would acknowledge the Company's government. Clive reported to the Company that the Nawab had "abundant reason to be well satisfied with the conditions of this agreement whereby a fund is secured to him without trouble or danger, adequate to all the purposes of such grandeur and happiness as a man of his sentiments has any conception of enjoying. More would serve only to disturb his quiet, endanger his Government, and sap the foundations of that solid structure of power and wealth which at length is happily reared and completed by the Company after a vast expense of blood and treasure.[1]

"By the acquisition of the Dewani, your possessions and influence are rendered permanent and secure, since no future Nabob will either have power or riches sufficient to attempt your overthrow, by means either of force or corruption. All revolutions must henceforth be at an end, as there will be no fund for secret services, for donations or for restitutions. The Nabob cannot answer the expectations

[1] The prince is related to have accepted with alacrity the proposal that the Company should assume the administration, exclaiming: "Praise be to Allah, I shall now be able to have as many dancing girls as I please".

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of the venal and mercenary, nor will the Company comply with demands injurious to themselves out of their own revenues. The experience of years has convinced us that a division of power is impossible without generating discontent and hazarding the whole. All must belong either to the Company or to the Nabob. We leave you to judge which alternative is the most desirable and the most expedient in the present circumstances of affairs. As to ourselves, we know of no other system we could adopt that would less affect the Nabob's dignity and at the same time secure the Company against the fatal effect of future revolutions than this of the Dewani. The power is now lodged where it can only be lodged with safety to us, so that we may pronounce with some degree of confidence that the worst which will happen in future to the Company will proceed from temporary ravages only, which can never become so general as to prevent your revenues from yielding a sufficient fund to defray your civil and military charges and furnish your investments."

The ratification was made at Allahabad, whither Clive proceeded. He bound the Company to pay to the Mogul an annual tribute of twenty-six lakhs of rupees. With the Nawab Vizier also, who accompanied him thither, Clive came to an understanding, by which his dominions in Oudh were restored to him on condition of an alliance between him and the Company. He gladly agreed to pay £600,000 as compensation for the war expenses incurred by the Company. Allahabad and Corah were secured to the Mogul, whose empire, apart

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from these districts, was now reduced to merely nominal limits.[1]

Clive had gained his heart's desire. He did not wish the Company, nor did the Company itself wish, to appear openly in the eyes of European Powers as the ruler of Bengal ; he preferred the "pageant of a Nawab". The army was under the Company, "through whom any encroachments attempted by foreign Powers could be effectually crushed," the treasury and taxes were under the Company, while the administration of justice was left to the Nawab. He deprecated "any act by an exertion of the English power which can equally be done by the Nawab at our instance, as that would be throwing off the mask, and would be declaring the Company Subah of the Provinces". Moreover, Clive thought the Company should be satisfied with the present limits of its territory, and should studiously maintain peace, "the groundwork of our prosperity". He assured his fellow-members of the Company that any aggressive act, such as a march to Delhi, "would be not only a vain and fruitless project, but attended with destruction to our own army, and perhaps put a period to the very being of the Company in Bengal".

In vain, then, the young Mogul urged Clive to recover his ancient capital, then in the possession of the Mahrattas; but besides having little confidence in the good faith of Shah Alum, Clive felt that the Company's servants had already sufficient to employ their time and talents for a long period to come.

[1] The Imperial firman granting, or rather ratifying, Nazim's gift of the Dewani is dated 12th August, 1765.

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Indeed, to check the frittering away of the energies of the officials and the demoralisation of an unregulated private trade, the Company had resolved to place both public and private trade in Bengal under control of the Council. Men could not work for themselves and for the Company with an equal zeal. The root of the late evils in administration lay in the inadequate salaries paid to its servants by the Company, which may be gauged from the fact that a member of Council only received £300 a year.

In 1762 the Court of Directors had forbidden the Company's servants in the strongest terms from carrying on any inland trade whatever, although these servants had long claimed the privilege of conducting such trade duty free. Nevertheless, the commerce was too well grounded not to be carried on, even in defiance of orders, and two years later the Court of Proprietors came to the conclusion that the Company's servants might be indulged in it under certain restrictions and regulations. On the 18th of May, 1764, they came to the following resolution: "Resolved that it be recommended to the Court of Directors to reconsider the orders sent to Bengal relative to the trade of the Company's servants in the articles of salt, betel-nut and tobacco; and that they do give such directions for regulating the same, agreeable to the interest of the Company and Subah, as to them may appear most prudent, either by settling here at home the restrictions under which this trade ought to be carried on, or by referring it to the Governor and Council of Fort William to regulate this important point in such a manner as may pre-

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vent all future disputes betwixt the Subah and the Company." The Court at this time observed that it appeared to them "very extraordinary that in a trade so extremely lucrative to the individuals the interest of the Company should not have been at all attended to or considered".

Salt, betel-nut and tobacco forming the three great articles of the internal commerce of Bengal at this time, it was resolved by the Select Committee that a monopoly should be granted, and the trade in these articles conducted for the exclusive benefit of the senior servants of the Company, after a fixed duty of £100,000 a year was deducted. The profits were divided into fifty-four shares, which were subdivided into three classes. Of these the first, of thirty-five shares, was assigned to the Governor, the commander-in-chief, the members of Council and two colonels, the Governor receiving five shares as his portion. The young writers in the service were not regarded, it being contended that the junior servants should be prevented from earning more than a competency, otherwise they would be tempted to quit India in middle life. It only remains to add that the scheme after two years' trial was disallowed by the Company, and matters returned to their former state.

Mention of the junior servants suggests a grievance which a large body of them who had been entrusted with posts of responsibility addressed to the Company about this time. The massacre at Patna had removed many of the senior civilians, and to fill their places many "young gentlemen of the settlement" "just broke loose from the hands of their

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schoolmasters" had been appointed. Clive refused further to follow the rule of seniority, and to promote to vacancies in the Council any more of these inexperienced striplings, but drew from the Madras establishment four civil servants to fill the vacant seats. The slighted juniors in Bengal threatened mutiny, which Clive put down with a firm hand, as he did with the graver difficulty concerning *batta* amongst the military officers.

For two generations the Company's officers at Madras, Bombay and Calcutta had been in the habit of drawing when in the field an additional rate of pay which was called *batta*. Subsequently, in order that they should share in the general scramble for personal profit which followed Plassey, they were permitted to draw a further sum known as double *batta*. But the Company having taken over the fiscal administration of the province, it ordered the double *batta* to cease. The consequence was a mutiny of the officers. Clive caused the leaders, including Sir Robert Fletcher, second in command, to be arrested; they were found guilty and dismissed the service. The others soon made their peace, and were reinstated. Before leaving for England Clive fulfilled the Company's mandates with regard to certain changes in the army, particularly the regimenting of sepoys under Englishmen, and sailed at the end of January, 1767, turning over the government to the senior member of Council, Henry Verelst.[1]

[1] Verelst was one of the very ablest of all the Company's servants. His character and administration have been obscured by the political complications of the time.

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At Madras Pigot was succeeded by Robert Palk, who, on the close of one native war by the capture of Madura, found himself early in 1765 face to face with another, caused by the invasion of the Carnatic by Nizam Ali, who had recently murdered his brother, the French protégé, Salabut Jung.

It was suggested by Clive during his brief halt at Madras that it would be advisable to obtain from the Mogul a grant of the Northern Circars for the purpose of connecting the Company's possessions on the coast. The firman was duly secured and a force led by Major Calliaud proceeded to assert the Company's title. But opposition came from Nizam Ali, who regarded the territory as a portion of the Deccan, and, denying the Mogul's right to dispose of it, was mortally offended. Although then engaged in battling with the Mahrattas, he broke off hostilities in order to invade the Carnatic. Palk and his Council grew alarmed and sought a humiliating accommodation with the Nizam. They actually promised to pay him tribute for their holding, and also to assist him with troops whenever called upon. Nothing could have been more imprudent. Such a treaty almost immediately involved the Company in war with a daring and successful usurper.

Haider Ali, son of a distinguished freebooter, had early been received into the service of the Rajah of Mysore. Here he acquired such influence by his talents and reckless character that he was able successfully to wage war with his benefactor, overthrow him and rule his dominions. From Mysore he led his band of plundering freebooters through the

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LORD PIGOT.

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surrounding country, capturing immense booty. But the ruler of the Deccan and the Peishwa of the terrible Mahrattas now resolved to check his encroachments. This was the league to which the Council at Madras had added the Company. The Mahrattas duly invaded Mysore and Colonel Smith was despatched with a small English corps to aid the Nizam. But before Smith could arrive the Mahratta chieftain had been bribed by Haider Ali basely to break off his engagement with the Nizam and the Company. This duplicity was followed by a treaty between the Nizam and the Mysorean usurper to join forces and together expel the Company from the Carnatic and the entire coast. Smith, made aware of this perfidious design, instantly beat a retreat, closely followed by the Mahrattas.

Madras was soon threatened by a force of 5,000 Mysorean horse, led by Haider's son, Tippoo. The whole neighbourhood was laid waste and the Black Town, warehouses and villas destroyed, Tippoo retiring with great booty. Haider himself, however, together with his treacherous ally, the Nizam, was attacked and defeated by the Company's troops, as were also the Mahrattas; and the Nizam first brought to realise the serious political error he had committed. He began to make overtures to the Company's representatives to be reinstated in their favour.

The Madras Council, from which the pacific Palk had retired to be succeeded by Charles Bourchier, were not long in deciding to pursue Haider Ali into his own country; but their mismanagement of the

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campaign cost them several disasters, and early in 1769 the bellicose Mysorean was joined by a number of French officers from Pondicherry. Several of the Company's posts were surprised and numerous prisoners captured and sent to Seringapatam. After another attack upon Madras, the Presidency, on Governor Bourchier's initiative, felt that the time had come to negotiate a treaty with the redoubtable Haider Ali. On condition that a mutual restitution of conquests should take place and that the contracting parties should co-operate in all defensive wars, this destructive campaign came to an end in April, 1769. The Mysorean returned to his country, but in a few weeks wrote begging the Company's support against a Mahratta invasion.

The news of Clive's acquisition of the Dewani was read out at a General Court of the Proprietors, held on the 18th June, 1766. The effect was electrical: the depressed spirits of the members rose at a bound. But the zeal of the ignorant outran discretion. It was proposed that the Government be approached for an extension of the duration of the Company's charter, on consideration of the Crown being admitted to participate in the benefits of the Company's new acquisition. "Those with whom the proposal originated," says Thornton, "indeed manifested an exuberance of sanguine expectation worthy of the burning clime on whose wealth and fertility it was based. In consideration of an extension of the Company's charter for thirty-seven years, they generously proposed to assign to the State all that should remain of the territorial revenues

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after the civil and military expenses of the settlements should be paid and after payment of a dividend to the Company at the rate of 15 per cent., to be guaranteed for ten years. During that period the profits of the Company's trade were to accumulate as additional capital. At its expiration the Company were again to derive their dividends from the profits of their trade; but if these should be insufficient to pay 15 per cent. the difference was to be made up from the territorial revenues."

Such were the extravagant conceptions formed of the Company's prospects in Bengal! It is enough to remark that a majority of the proprietors had the good sense to reject the proposal.

The letter from the Court of Directors approving of Clive's arrangement is noteworthy. It lays down with much precision what were to be the relations between the Nawab, Nazim, and the English President and Council. It shows that at this period there were strong objections to any interference in the active administration. An English Resident was continued at Murshedabad; he was to take over the monthly payments from the Nawab's officers; his chief duty was to protect the native administration from the encroachments of the Company's servants. The following extracts are historical:—

"We come now to consider the great and important affairs of the Dewanny, on which we shall give you our sentiments, with every objection that occurs to us.

"When we consider that the barrier of the country government was entirely broken down and

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every Englishman throughout the country armed with an authority that owned no superior, and exercising his power to the oppression of the helpless native, who knew not whom to obey; at such a crisis we cannot hesitate to approve your obtaining the Dewanny for the Company.

"We observe the account you give of the office and power of the King's Dewan, which in former times was 'the collecting of all the revenues, and after defraying the expenses of the army and allowing a sufficient fund for the support of the Nizamat, to remit the remainder to Delhi'. This description of it is not the office we wish to execute; the experience we already have had in the province of Burdwan convinces us how unfit an Englishman is to conduct the collecting of revenues and follow the subtle native through all his arts to conceal the real value of his country, and to perplex and elude the payments. We therefore entirely approve of your preserving the ancient form of government in the upholding of the dignity of the Subah.

"We conceive the office of Dewan should be exercised only in superintending the collection and disposal of the revenues; which, though vested in the Company, should officially be executed by our Resident at the Durbar, under the control of the Governor and the Select Committee. The ordinary bounds of which control should extend to nothing beyond the superintending the collection of the revenues, and the receiving the money from the Nawab's treasury to that of the Dewanny, or the Company, and this we conceive to be neither difficult nor com-

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plicated; for at the annual Poonah the government settles with each Zemindar his monthly payments for the ensuing year; as the monthly payments of the whole from the Nawab's Dewan, is but the total of the monthly payments of each Zemindar; which must be strictly kept up, and if deficient, the Company must trace what particular province, Rajah, or Zemindar has fallen short of his monthly payments; or, if it is necessary to extend the power farther, let the annual Poonah, by which we mean the time when every landholder makes his agreement for the ensuing year, be made with the consent of the Dewan or Company. This we conceive to be the whole office of the Dewanny. The administration of justice, the appointment of officers, Zemindarries—in short, whatever comes under the denomination of civil administration—we understand is to remain in the hands of the Nawab or his Ministers.

"The resident at the Durbar being constantly on the spot, cannot be long a stranger to any abuses in the government, and is always armed with power to remedy them. It will be his duty to stand between the administration and the encroachments always to be apprehended from the agents of the Company's servants, which must first be known to him; and we rely on his fidelity to the Company, to check all such encroachments, and to prevent the oppression of the natives."

Although the chief direction of their affairs was in the hands of able men and trained merchants, yet the proprietors jealously withheld their confidence. Their sight dazzled and their judgment bewildered

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by the turn events had recently taken, they foolishly accepted the guidance of politicians, who knew nothing of trade or of India. Thus Ministers, peers, men of rank and influence exercised a weight in the administration of the Company by no means proportioned to their possession of stock.

The General Courts seem at this time to have been often of a lively and heated description, in which recriminations and contumely abounded. Making every allowance for the exaggeration of current reports, it can hardly be questioned that there were amongst the proprietors men who joined to much bitterness and ignorance of India, little eloquence or even knowledge of grammar. If sometimes even the ordinary Court meetings were marked by tumult and discord, in the larger assemblages ignorance and passion roamed in a wider field.

In 1767 was published a curious satire, entitled *Debates in the Asiatic Assembly*, with the motto from Ovid, "rudis indigestaque moles". The author's subject and *dramatis personæ* are but scantily veiled, and the Chairman and leading Directors of the East India Company are made to storm and gabble through forty pages of a debate on the grant of the jaghire to Lord Clive. We see interest in India, though centred in Leadenhall Street, fast spreading throughout the country to a degree England had never felt before. It was no longer a question of trade and vast profits: the honour of the English name abroad was said to be concerned. Although Clive could still command a bare majority in the Court of Directors, many of them already

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chafed at Clive's influence, which they thought tended to circumscribe their action. When the proprietors clamoured for an increase in the Company's dividend from 10 to 12½ per cent. Clive thought it well to embrace their view. The Company had acquired the Dewani, its financial position in Bengal had greatly improved, and so, in spite of the wiser counsels of the Court of Directors, the Court of Proprietors had its way and the proposal was carried. The wholesale dispersal of the stock carried with it the evils inseparable from a multitude of counsellors. But from that moment the interference of the generality was doomed: a few more years and the dangerous suffrage of the Court of Proprietors would be curtailed. The Directors were well aware that if Bengal bore a semblance of prosperity, affairs in Madras, as we have seen, offered a totally different aspect. The war, no less than the dangerous peace with Haider Ali, promised to more than counterbalance the profits which fell upon the peace in Bengal. However, in this case, although the dividend was raised by means of a loan borrowed at exorbitant interest, the Government interposed by an Act compelling the Company to pay an annual subsidy to the nation of £400,000. In vain Clive condemned this as an unreasonable extortion; Parliament was determined to profit by the territorial acquisitions in the East, and the Company's dividend was in consequence practically restricted to 10 per cent.[1]

[1] For some time the dividends remained *nominally* at 12 per cent. In March, 1772, they were raised to 12½ per cent. Then came the great pressure, and in February, 1773, the Court of Directors and Court of Proprietors themselves reduced the dividends to 6 per cent.

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Although by this Act the right of Parliament to interfere at will with the Company's affairs was established, the question of its sovereignty in India had not been pressed to a settlement. The Company had as yet no inkling of what the Government intended to do. The Chairman, George Dudley, writing to Lord Clive, said: "We have been, and still are, studying the wants of the administration, for they themselves will not open their mouths to utter one syllable". Yet that the Crown felt that it had the whip hand of the Company at home and meant to profit by its profits was certain. One representative of the popular party in the City declared openly in Parliament that "the rich spoils of the Company in the East would be made the means of relieving the English people of some of their burdens".

Clive, as we have seen in his letter to Chatham, had long before suggested the withdrawal of its Indian dominions from the Company, but he had since come to a different opinion. Nevertheless, the seed had been sown in Chatham's mind, and now he communicated to Lord Shelburne a plan for diverting to the public treasury the territorial as distinguished from the mercantile revenues of the Company. "Chatham," observes Mr. Lecky, "attached very much importance to the project, but a Parliamentary inquiry into the affairs of the Company was the only step of importance that was taken before Chatham was incapacitated by illness. It was moved in the Commons in November, 1766, and it was characteristic of Chatham that he en-

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trusted the motion, not to any of the responsible Ministers of the Crown, but to Beckford,[1] one of the vainest and most hot-headed of the City politicians."

When the inquiry was ordered Charles Townsend, although supporting the motion, yet openly declared that "he believed the Company had a right to territorial revenue," a sentiment hardly shared by his official chief. "India," wrote the latter, "teems with iniquities so rank as to smell to earth and heaven. . . . The putting under circumscription and control the high and dangerous prerogative of war and alliances, so abused in India, I cannot but approve, as it shuts the door against such insatiable rapine and detestable enormities, as have on some occasions stained the English name and disgraced human nature."

But, although by the expedient of handing over £400,000 the Company had been tided over three sessions, it was inevitable that its anomalous position towards the King's Government must continue to excite attention and discussion. Had a body of British merchants any lawful right to conquer and acquire foreign territory except for the Crown?

As Macaulay said more than sixty years later: "The existence of such a body as this gigantic corporation—this political monster of two natures—subject in one hemisphere, sovereign in another—had never been contemplated by the legislators or judges of former ages". No wonder Crown and Parliament and Bench were in a quandary!

[1] The father of the author of *Vathek*.

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For a time prior to February, 1769, it appeared as if the Company's chartered privileges were in jeopardy; but in April another bill was passed, securing to the Company a further enjoyment of its revenues on condition of the regular annual contribution to the nation of £400,000, and the export of at least £300,000 worth of British manufactures. This seemed a high price to pay for at best a doubtful prosperity. It was as if the legislature had said, "You shall enjoy all that you now have, but every farthing of improved revenue after this period shall go into the pocket of the State".[1]

"Nevertheless, it is better," said the chairman, "to make no alterations. It is the ultimatum of the Treasury. There, gentlemen, take it or go into Parliament, and God knows the consequences!"[2]

Whatever the future might have in store on account of its increased powers and privileges and dominion, at present the outlook for the Company seemed only one of increased responsibility and debt.

[1] These words actually form a hypothesis of Sydney Smith concerning the Parliament of Henry VIII. and the revenues of the Church.—*Letter to Archdeacon Singleton.*

[2] Chairman's Speech, 2nd February, 1769. "The revenue of the £1,700,000 annually paid by this Company," wrote one member of the Company in 1769, "is too considerable for government not to be very circumspect how they adopt a speculative plan."

It was openly asserted in 1769 that "the Company would be worth just twenty-two millions at the expiration of its charter" (*An Old Proprietor's Letter*). It was reckoned that the total value of all stock and effects in England and India was about fourteen or fifteen millions, with a debt of eight millions. The capital was nominally £3,200,000 but was in reality £2,800,000, and the profits averaged about £1,250,000 a year. The business at thirteen years purchase would thus fetch £16,250,000.

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"Amidst all our success," wrote one of the carping proprietors, "should we acquire the dominion of the whole Mogul Empire it would not be good policy to maintain it; I know nothing we want but a maritime trade; this was the original plan we acted on, and to support the trade properly would bring all the wealth to this nation that could be desired or expected."[1]

It had constant difficulty in meeting its liabilities, although its luckier servants were constantly returning from India laden with huge wealth, to swell the phalanx of so-called "Nabobs" in Parliament.

On the 14th of June, Sulivan and several of his friends were re-elected to the Court of Directors. Sir George Colebrooke being in the chair, it was resolved to despatch to India a commission to inquire upon the spot why the Company's hopes of wealth had been foiled, and to reform the Indian administration. It was even proposed to send out Vansittart once more as Governor of Bengal, with authority over all the Company's Indian settlements; but this project was defeated by Clive. Vansittart was named instead as one of the three commissioners; Clive's friends, Scrafton and Forde, being the other two. At this juncture the Government again interposed. It asserted, to the Company's astonishment, that it possessed no right to effect any change whatever in the government of the three provinces. If such were intended, Chatham added, it rested with him to order it and to co-operate in the arrangement.

[1] A Letter to a late Popular Director [Laurence Sulivan], 1769.

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Although this untenable position was, upon reflection, abandoned, yet the British Government, while shirking any settlement of the status of Leadenhall Street in India, resolved surreptitiously to intervene in Indian affairs. It appeared that for some time past the Nawab, Mohammed Ali, had been conducting a secret correspondence with the Cabinet. "His agents had represented him as a high-born potentate, cruelly robbed of his authority by a body of English merchants; and they so wrought upon the misdirected feelings of the Minister that he was persuaded to adopt the absurd statements as truths." We have seen that the Nawab had been mentioned as an ally of Great Britain in the Treaty of Paris; King George was now resolved to ignore the sovereignty of the Company and to take Mohammed Ali under his own protecting ægis. The Company knew nothing of this intention; it rested under the belief that the "claims originally set up of interference in the internal management of India had been abandoned".

That the servants of the Company took, as has been charged, the greatest pains to conceal the passage in the Treaty of Paris relating to his "entire possession of the Carnatic" from the Nawab is hardly questionable.[1]

[1] "The managers of the affairs of the Company at home, as well as their servants abroad, had industriously concealed from that prince the nature and import of that article for several years. The success with which this secret was preserved furnishes an irrefragable proof that every individual thought it his own interest to keep the Nawab in a state of ignorance of his rights. Though that prince had obtained, at length, some knowledge of the nature of the

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It is certainly not likely, as the Company had long successfully resisted any right of the Crown to interfere in Indian administration, that it would foolishly lend any colour to that pretended right by conveying to any of its allies or dependents in India, what practically constituted an assertion of its administrative inferiority to the Crown.

The King had duly learnt of this reticence through the Nawab's industrious agent. He conceived the occasion to be a favourable one to settle the vexed question of the Crown's prerogative. When, therefore, the Company applied for the assistance of a squadron of the King's ships, it was stipulated that the commander, Sir John Lindsay, should be vested with full powers of acting as the King's representative in all transactions between the Company and the native princes.

The Company declared that it deeply lamented that so unusual a commission had been granted. Though it was not thought prudent at the moment to deny the King's right to send representatives to His Majesty's so-called allies, yet it did not fail to insinuate that "the rights and privileges of the Company rested upon as high authority as the King's commission to Sir John Lindsay".

George's letter entrusted to Lindsay was in his own hand, countersigned by Chatham. It assured

guarantee, which secured to him the possession of the Carnatic, he had found it almost impossible to avail himself of that knowledge. The authors of his grievances were the only channels through which he could convey his complaints; and self-preservation effectually prevented them from becoming their own accusers."—Macpherson, 1779.

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Mohammed Ali that it was his own firm design to adhere to all the promises made by his late royal grandfather, to continue firm to all his allies in all parts of the world. He was, he said, determined to support the Nawab in his rule of the Carnatic; and, if it should appear, upon examination, that the distressed situation of the affairs of that country had been caused by the intrigues of any of his trading subjects, the Nawab could depend upon the royal protection and friendly assistance. He went on to say that in order to vindicate his justice and good faith to the whole world, he had given his commands to the plenipotentiary to demand a full account of the Nawab's transactions with the Company since the Treaty of Paris; he hoped that a thorough understanding of all the affairs might enable him not only to redress past evils, but to avoid future oppressions.

In a ship of the squadron commanded by Lindsay sailed away the Company's three commissioners who were to reform the administration of Bengal, and were never heard of again. The commodore had been granted a Company's commission to act in the Persian Gulf: clandestinely he had been invested by the King with the character of British ambassador to the Court of Arcot. He arrived at Madras at the moment when the harassed President Du Pré was doing his best to support the credit of the Company in the difficult business of treating with the recalcitrant Pertab Singh, Rajah of Tanjore.

Orders had already been received from Leadenhall Street calling this prince to account.

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"We observe with great dissatisfaction," wrote the Company to Madras, "the conduct of the Rajah of Tanjore, who forbore so long to join you with his horse, and when they did join you they seem to have been no manner of use. It is very extraordinary that when the safety of the Carnatic was in danger, he should have acted so dubious or so pusillanimous a part. When we consider the protection we have given that Rajah, and the long and uninterrupted tranquillity his country has enjoyed by it, we cannot but feel the strongest resentment at his conduct."[1]

The Company went on to direct that the "Tanjore Rajah" should be forced to assist in paying the expenses of the war, supposed to be still raging, against Haider Ali. "It appears most unreasonable to us that the Rajah of Tanjore should hold possession of the most fruitful part of the country which can alone supply our army with subsistence and not contribute to the defence of the Carnatic."

These positive orders reached Madras in the autumn of 1769. But various reasons prevented the Presidency from carrying the commands of their masters into execution, although they declared that "the Rajah certainly deserved chastisement; and not only for the supply of money and provisions with which he had furnished the enemy, instead of assisting the Nawab and the English, but for since delaying the payment of the peishcush, settled by

[1] Letter to Governor and Council of Madras, 17th March, 1769.

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the treaty of 1762, which had become due in July, 1769".

On Lindsay's arrival he pompously announced that he was the bearer of letters and presents from King George III. of England to Mohammed Ali, the Nawab of the Carnatic, and invited the Council to escort him to Arcot. The Council angrily declined, and then ensued a heated correspondence. For some time Lindsay continued his interference and machinations in the rôle of King's plenipotentiary. The Nawab, an interested spectator in the warfare then in progress between Haider Ali and the Mahrattas, was delighted at winning over Sir John Lindsay to oppose Haider Ali, whom the Council were doing their best to propitiate.

The Nawab informed Lindsay that he was highly grateful for such distinguished marks of King George's friendship, but he could not conceal from him that he was still afraid to avail himself of the protection of the Crown of England against men who might continue to possess that power under the rigour of which he had already so much suffered. Knowing the fate, he said, of other princes who had fallen victims to the displeasure of the Company, he dreaded to excite a resentment which might cost him his throne, as had been threatened two years before by its servants. The dreadful example of the Nawabs of Bengal was before his eyes, and it behoved him to walk warily if he would avoid their fate. Although he was induced by the Ambassador to throw himself upon the protection of the Crown of Great Britain, Mohammed Ali was not

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blind to the risks he ran; and the evils which he dreaded came to pass. The truth is, the King of England had acted hastily and injudiciously, promising more than lay in his power constitutionally to perform.[1]

[1] See Thornton's *British Empire in India* for an interesting version of the Lindsay and Harland episodes, as well as the intrigues of the Nawab's agent, Macpherson. Albeit, this author seems to shrink from giving due credit to King George for his diplomacy.

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CHAPTER VIII.

King George and the Company.

THE apparent contradiction between word and intent pervaded not merely the correspondence of the Company's servants in India, but the despatches which issued from Leadenhall Street concerning Mohammed Ali. Thus in the instructions issued to the three commissioners, dated the 15th September, 1769, they are enjoined "to provide effectually for the honour and security of their faithful ally, Mohammed Ali, Nawab of Arcot". The Presidency is blamed for its injustice to that prince and its conduct stigmatised as a "flagrant breach of repeated orders". "When we reflect," continues the Court, "on the long experience we have had of Mohammed Ali's faithful attachment to the English Company, we are surprised at the idea entertained by the Governor and Council, in their letters of the 8th March and 21st June, 1768, to reduce him to a mere nominal Nawab. The sanction of the Treaty of Paris, by which treaty public faith became the guarantee of the Nawab's title, will be of little use to him if notorious infringements of the rights and powers usually inherent in and dependent on such title, should be by us countenanced and permitted to take place. More especially as, perhaps, we might thereby involve ourselves in the very disagreeable

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necessity of answering at some future period, for the infraction of a public treaty of the consequences thereof."[1]

When news of the peace with Haider Ali reached England, the Company deprecated it. Such a treaty, exclaimed the chairman, could only be justified by extreme necessity. In their subsequent despatches, the Court of Directors severely reprimanded the Madras Council for their attitude towards Mohammed Ali. They had "pompously appointed him Phousdar of Mysore," and then accused him, because he had accepted that nugatory gift, "of an insatiable desire of extending his dominions". By following their advice the poor Nawab "found himself reduced, disappointed and almost despised". Leadenhall Street did not spare its reproaches. It went on to accuse the Madras Council "of irresolution as men, disability as negociators, weakness and deficiency as politicians". It affirmed that though they had "rashly dared to rouse the jealousy of the country powers, they had not discovered on trying occasions the becoming firmness necessary to support the dignity of the English name: and that by their feeble conduct in war, and their pusillanimity in submitting to a treaty dictated by an enemy, they had laid a foundation for the natives of Hindostan to think they may insult the Company at pleasure, with impunity."

The faction then in power dwelt with particular severity on the article in the treaty with Haider.

[1] Instructions to the Commissioners, 15th September, 1769.

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"Had you, indeed, obtained," it wrote, "from the Rajah of Tanjore the horse and assistance you solicited: had he thereby drawn upon himself the resentment of the enemy: had it been difficult, on the Rajah's account, to have appeased Haider, there might have been some merit in procuring the Rajah safe terms. But we do not conceive that Haider has discovered so much want of penetration, in his transactions with you, as to warrant a supposition that he could himself be imposed upon by such an artifice: and his *warm attachment* to the Rajah of Tanjore, manifested by strenuously insisting he should be included in the treaty, could scarcely be unknown to that prince. What their sentiments must be of persons whom they had reduced to the necessity of practising arts of this nature, it is not difficult to determine. . . . We cannot discern any advantage gained by this extraordinary effort of your skill in negotiation, which you make matter of so much merit. The plain fact is, that the Rajah of Tanjore, who, as tributary to the Nawab, ought to have furnished his quota towards carrying on the war, which he has *not* done, is still styled by you a *friend* to the Carnatic; and by Haider's adherence to him for refusing to assist you, he is, as we conceive, effectually sheltered by the faith of a treaty, from being compellable to contribute a single rupee towards defraying the expense of the war. Our former orders, therefore, in this respect relative to the Rajah of Tanjore must be suspended, because they are by your conduct rendered utterly impossible to be carried into execution

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without committing a breach of the treaty you have concluded."

But all this lofty language, all these high-flown expressions concerning treaties and public faith and princely titles, cease to surprise us when we consider the circumstances under which they were penned. The King of England had taken the side of the Nawab of the Carnatic, and the Company (at least, the faction in power) naturally felt it would be most impolitic not to deprecate the royal disfavour when fair words to its Indian dependent was the only cost. A copy of the foregoing instructions was shown to the King; it clearly attested the Company's reasonableness: it completely undermined the charge that its attitude was unjust or unfair to the Nawab. But the understanding with the Commissioners was of different import; the very character of the men sent out was a sufficient guarantee that there would be no considerable recession from the Company's policy. Mohammed Ali, in the Carnatic, was no more to Sulivan than Muharek-al-Daulah in Bengal; the rule of both depended upon the Company's pleasure; but the fact that the former Nawab was a man of considerable character and not without powerful friends in England made the ostensible consideration accorded to him far greater. If the Company had really intended that its servants should actually undo what Pigot had done, and set up a real instead of a nominal Nawab, it would have repeated its orders at a later day, when it was known that the three Commissioners had perished. But Vansittart, Scraf-

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ton and Forde were at the bottom of the sea,[1] and the Company's mock philippics were soon no longer required.

The truth is that, in spite of occasional haltings and retrocessions, the Company was true to its traditional policy as foreshadowed by Sir Josiah Child. Corporations and newspapers, it has been observed, have identities which not even the individuals composing them can altogether suppress. The Company's attitude towards the native powers had been consistent, although its language was characterised by an Oriental extravagance.[2] A decade before, Pigot had written to Mohammed Ali:—

"It is my sincere wish that your highness shall be firmly established in the seat of government, with every honour and advantage possessed by your ancestors, and that you may enjoy the whole Carnatic, and that the Company may carry on their business under your highness's protection as they did under that of former Subahdars."

Such an avowal seems, if taken literally, to dispose at once of any of the Company's claims to sovereignty and independence. But it cannot be taken literally; neither Saunders nor Pigot had any

[1] The *Aurora*, which carried them, foundered at sea between the Cape and Calcutta and they were never heard of again.

[2] I do not know upon what truthful authority it is said that Governor Russell, of Bengal, in 1712, thus petitioned the Emperor:—

"The supplication of John Russell, whose forehead is the top of the footstool of the absolute monarch and prop of the universe. We Englishmen, having traded hitherto in Bengal, Orissa and Behar, custom free, are your majesty's most obedient slaves." And so on in this strain. Sir Monier Williams and others quote this, but I know nothing to verify it but Captain Hamilton's statement.

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orders from Leadenhall Street thus to make obeisance to Mohammed Ali as their sovereign lord, much less to acknowledge the right of the feeble emperor at Delhi to interfere with their affairs. It was the language of the East; this relationship of sovereign and subject was a mere fiction which it was the Company's policy to maintain as long as it held together. Any unfriendly act, by virtue of this pretended authority, would have been instantly resented, and, if persisted in, would have led to war. This is not the attitude of a subject towards his sovereign.

Perhaps it is worth while to explain this dual position at length, inasmuch as several writers would lead one to infer a complete lack of consistency in the Company's policy. That the inconsistency was more apparent than real needs not further labour to prove, save to quote the following passage in a letter of the Company, dated 10th April, 1770, following immediately on the heels, be it noted, of its pretended indignation against the Madras Council:—

"As to what relates to the Nawab and the conduct which you are to hold in the present parts of India, a great deal must be left to your decision on the spot. You have certainly more knowledge than we of coming at the true knowledge of the causes, the origin and the tendency of disputes, as on a sudden arise among the powers of India, as of relations of interest in which we stand to them."

On the whole, this is a notable avowal, and besides disposing of the present matter may almost be held to mark the beginning of less intimate, but

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firmer and more confident relations between the Company and its servants in India.

Soon after the Company's acquisition of the Dewani it found itself confronted by a very grave fiscal question in Bengal. Out of the money collected it paid twenty-six lakhs to the Mogul and fifty-three lakhs to the Nawab. The yearly payments were thus something less than £1,000,000 sterling. The yearly receipts, however, were estimated at £3,000,000 or £4,000,000. Out of the surplus they provided for the defence of the country and maintenance of the public peace. The balance was so large that the Company appropriated it to the purchase of goods and manufactures in India and China. The result was that within a few years the three Bengal provinces were literally drained of rupees.

During three years the exports of bullion from Bengal exceeded £5,000,000 sterling, whilst the imports of bullion were little more than £500,000. Meantime the rupee rose to an exchange value of 2s. 6d.

Such a drain of silver naturally produced the most lamentable results, and the following passage from Verelst's letter to the Company will throw some light on the subject:—

"We have frequently expressed to you our apprehension lest the annual exportation of treasure to China would produce a scarcity of money in the country. This subject becomes every day more serious, as we already feel, in a very sensible manner, the effects of the considerable drain made from the

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silver currency. Experience will ever yield stronger conviction than the most abstract and refined reasoning."

How scarce money could become Warren Hastings was to show within the decade. The discovery knocked the bottom out of the popular conception of India as a land of unbounded riches and prosperity.

In 1770, when it seemed not improbable that a war was imminent with France, the Company, dreading that hostilities might extend to India, applied to Lord North for a strong squadron of ships to protect its forts and territories. Yet though the dispute between the two nations was healed, it was decided that the squadron should sail, which it did in March, 1771. To its commander, Sir Robert Harland, the King entrusted the same plenipotentiary powers to the princes of India which two years previously he had given to Sir John Lindsay. A pretext must, of course, be found for Harland's commission. He was therefore solemnly instructed to "inquire how far the eleventh article of the definitive treaty of peace and friendship between the King of Great Britain, the most Christian King, and the King of Spain, concluded at Paris, the 10th of February, 1763, had been complied with by the parties concerned: as also to treat with any of the princes or powers in India, to whom the eleventh article might relate, with regard to the most effectual means of having the stipulations therein contained punctually observed and carried into execution". His Majesty at the same time promised "that he would approve, ratify and confirm what should be agreed and con-

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cluded, in relation to the premises, between the princes and the powers aforesaid, or such person or persons as they should depute or appoint for that purpose and the said Sir Robert Harland".

The King, in his second letter to the Nawab, was pleased to express his "confidence in the Company, and his desire to connect them inseparably with that prince; and Sir Robert Harland, whom His Majesty has appointed to succeed to the commission of Sir John Lindsay, besides the particular orders given him to promote, as far as possible, a strict union between the Nabob and his servants of the Company, and to remove every suspicion of the Company's lying under the King's displeasure, received instructions to make the support of their importance and honour in the eyes of all the powers of India a principal point of his attention".

Harland arrived on the 2nd September, 1771, and on the 13th he communicated to the Presidency this further from the King:—

"You will represent in the freest manner, to the Governor and Council of Madras, any complaints which in your judgment shall be well founded, that may be made by the Nabob of Arcot, and transmit to us the earliest intelligence thereof, with your sentiments thereon." This strengthened the confidence of the Nawab, who, while depending upon the protection of the sovereign, naturally became more careless about the favour of mere trading subjects.

The Madras Council in writing home dwelt upon the injury which this royal interference did to the Company's affairs.

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"To give you," observed the Council, in writing to the Court, "a clear representation of the dangerous embarrassments through which we have been struggling, to carry on your affairs since the arrival of His Majesty's powers in this country, is a task far beyond our abilities; they are daily more and more oppressive to us. It has always been our opinion, that with your authority, we had that of our sovereign and nation delegated to us through you, for managing the important concerns of our country under this Presidency. It is upon the prevalence of this opinion in India that our influence and your interests are vitally founded. It was in the confidence of this opinion that your servants, exerting all their vigour, acquired such power and wealth for their country."

The Nawab at Harland's instance duly wrote to the King of England, and in the course of time again was a much-prized reply placed in his hands. Thus it ran in the royal holograph:—

"George the Third, etc., etc., To Nabob Wallajah, etc., Nabob of Arcot and the Carnatic.

"We received with pleasure your letter, in which you express to us your gratitude for the additional naval force which we have sent for your security, as well as that of our East India Company, and your confidence that we shall tread in the steps of our royal grandfather, by granting protection to you and your family. We have given our commander in chief and plenipotentiary, Sir Robert Harland, our instructions for that purpose, and we flatter ourselves

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that we will reconcile the differences which have arisen between you and the Company's servants against your mutual interest. It gave us satisfaction to hear that the Governor and Council of Madras had sent the Company's troops with yours to reduce your tributary, the Rajah of Tanjore, to obedience, in which we hope, by the blessing of God, they will be successful; and so we bid you farewell, wishing health and prosperity to you and your family.

"Given at our Court at St. James's the 7th day of April, 1772, in the 12th year of our reign.

"Your affectionate friend,

"GEORGE R."

Some of Harland's attempts to terrify the Company's servants are amusing. When he pompously demanded from the Madras Presidency an account of their transactions with the country powers they very properly replied that they "could not, consistently with their trust, render an account of their conduct to him, or to any but a constitutional power". Whereupon Harland flew into a dreadful passion. "Your charge seems to me," he wrote, "to be directly pointed at the royal authority and the undoubted rights of the Crown. When you take upon you to censure a measure, which is the sacred privilege of majesty and the constitutional right of our sovereign, let me tell you it is very unbecoming, it is presumptuous, it is arrogant." These miserable traders of Madras were rendering themselves liable to prosecution for treason and sedition. These aban-

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doned wretches, sprung "from the lowest of the people," actually dared "to look Government in the face with that assurance that has taught them to think that money may decide anything".

But these low persons were not terrified; they replied with firmness and courtesy to Sir Robert Harland's passionate outbursts, conscious that their master, the Company, was in the right, and the King was constitutionally in the wrong.[1]

At length, in response to the Company's protests, the King's ambassador was recalled, and (in the language of James Macpherson) the unhappy Nawab "was delivered into their hands, to be punished for his credulity in the support of government, as well as his defection from the authority of the Company".

But in truth Mohammed Ali had really gained his ends. A few months more and we will see the Madras Council hastening to comply with the Nawab's views concerning the Rajah of Tanjore.

Meanwhile, the Calcutta Council had attempted to regulate what had been denounced as illicit trade, and thereby a large profit was established for the Company. But the Court of Directors disapproved of these proceedings without substituting any other plan in their place until in November, 1767, when the Court decided to allow the Company's servants 2½ per cent. upon the revenues in lieu of

[1] "The Commons," it was declared in 1772, "stand upon a precipice from which, if they resign into the hands of the Crown, the Sovereignty and territorial revenues of Bengal, they plunge themselves into the gulph of corruption and infamy and us into the abyss of perdition and wretchedness. Let us unite as one man against making our king the despot of Bengal!"—*Letter to the Proprietors.*

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higher salaries. A duty upon salt was arranged for, which would produce to the Company £31,000 a year. At this time Clive was in England. The matter came to his ears and he expostulated with the directors, telling them that they were doing the most manifest injury to the Company; that if those advantages which the Select Committee had proposed for the servants were disapproved of, they ought to be enjoyed by the Company; that those advantages and the duties together would amount to £300,000 per annum, which he thought no inconsiderable object. He further represented to them that although they should give the servants 2½ per cent. on the revenues in lieu of the salt trade, the servants might still trade in that article under the names of their banians or black agents to what extent they pleased. To these representations no other attention was paid than that of altering the proposed duty from £31,000 to £120,000 per annum. The result was as Clive had foreseen. The servants received their 2½ per cent. on the revenues; they traded illicitly in salt as much as before and the Company received nothing. In the course of five years the sacrifice amounted to some £1,500,000 "which the Company ought to have received if the emoluments taken from the servants had been added to the duty proposed by the Select Committee". This was exclusive of the 2½ per cent. commission granted out of the Company's revenue, and also the minor profits which accrued from the betel-nut monopoly.

Yet it was this inland trade upon which depended "almost totally the happiness and prosperity of the

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people. Indeed, the true cause of the distress in Bengal, as far as it relates to the inland trade, is this: the Company's servants and their agents have taken into their own hands the whole of that trade, which they have carried on in a capacity before unknown; for they have traded not only as merchants but as sovereigns, and by grasping at the whole of the inland trade, have taken the bread out of the mouths of thousands and thousands of merchants who used formerly to carry on that trade, and who are now reduced to beggary."

Pending the expected arrival of the ill-fated Commissioners, Verelst had given way to John Cartier at the close of 1770. It was now resolved to appoint Warren Hastings to the government of Bengal whenever Cartier should retire. "The last Parliamentary inquiry," wrote Clive to Hastings in August, 1771, "has thrown the whole state of India before the public, and every man sees clearly that, as matters are now conducted abroad, the Company will not long be able to pay the £400,000 to Government. The late dreadful famine or a war with Sujah Daulah or the Mahrattas will plunge us into still deeper distress. A discontented nation and disappointed Ministers will then call to account a weak and pusillanimous Court of Directors, who will turn the blow from themselves upon their agents abroad and the consequences must be ruin both to the Company and their servants. In this situation you see the necessity of exerting yourself in time, provided the directors give you proper powers, without which, I confess, you can do nothing; for self-

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interest or ignorance will obstruct every plan you can form for the public good.

"The expenses of the Company," continued Clive, "are hardly to be supported. Great savings, I am certain, may be made. Bills for fortifications, cantonments, contracts, etc., must be abolished, together with every extravagant charge for travelling, diet, parade and pomp of subordinates. In short, by economy alone the Company may yet preserve its credit and influence."[1]

In the following year Clive wrote to the chairman: "It is certain that our affairs in Bengal are in a very deplorable condition, and that the nation cannot receive their £400,000 and the proprietors their £200,000 increase of dividend much longer if something be not done. . . . Upon the receipt of the revenues depend the £400,000 a year to Government and the £200,000 a year additional dividend to the proprietors: and upon the Company's or public trade depends the coming home of the revenues." But before the new system by which the Company proposed to regulate its affairs in India could be put into operation, there had arisen a crisis both in its own and Clive's affairs at home.

Hastings began his administration at Calcutta

[1] The Company's net profits during Lord Clive's Government had been as follows:—

1765-6 - - - - -	£471,067
1766-7 - - - - -	1,253,501

The net profits during Harry Verelst's Government were:—

1767-8 - - - - -	£871,622
1768-9 - - - - -	829,062
1769-70 - - - -	336,812

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under numerous disadvantages. A dreadful famine occurred in 1770, under the government of Cartier, and only a few months before Hastings succeeded to the Presidency. The periodical rains had failed, the earth became parched up, the tanks for irrigation became empty, the rivers ceased to flow and the rice and other crops failed. As the Hindus, on religious grounds, make little or no use of animal food, they perished by thousands. It is said that from one-fourth to one-third of the teeming population of Bengal was swept away.

Previous to this Syef-al-Daulah, the son and successor of Mir Jafir, died of the small-pox, and his brother, Muharek-al-Daulah, a mere boy, had been appointed to the musund. The Court of Directors ordered Hastings during the non-age of the Nawab to reduce his annual stipend to sixteen lakhs of rupees.

Although the Company was now practically and officially the Dewan or collector for the Mogul, yet it was not at first thought prudent to take the actual work of collection out of the hands of the natives and put it into the hands of its English servants. The Company contented itself with stationing a resident at the Nawab's Court to exercise a general control over the conduct of the chief receiver of taxes, and another at Patna to inspect and check the accounts of his deputy. But in August, 1769, the receipts continuing to fall far below the general expectations of the Company, it was decided to appoint supervisors in different parts of the provinces to control the native officials. These supervisors were instructed to make a summary history of the

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provinces, to inquire into the state, produce and capacity of the lands, ascertain the amount of the taxes, the condition of the cultivators, the commercial regulations and the system of administering justice. The report submitted by these supervisors revealed the melancholy fact that "the revenue system was throughout utterly corrupt," that the ryots were plundered generally, and that justice existed only in name. Accordingly, without considering the dangerous consequences of such a grave step, the Company, in a letter dated 28th August, 1771, declared boldly that it was resolved "to stand forth as Dewan, and by the agency of its own servants, to take upon itself the entire care and management of the revenue".

"Never," writes one Indian historian, "was so gigantic a change in the arrangements of any portion of human society brought about with such a total absence of care and consideration. It was imagined in Leadenhall Street that the determination here expressed would merely supersede one set of revenue officers by another; whereas it led to an innovation by which the whole property of the country, and along with it the administration of justice, was placed upon a new foundation."

The office of Naib Dewan was abolished on the 14th May, 1772, and a Board of Revenue, consisting of the President and Council, an accountant-general with assistants, established at Calcutta. The native treasury and exchequer at Murshedabad, with its whole staff of native officers, were ordered to be removed to the new British capital. Having investi-

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gated the various imposts borne by the ryots, the most oppressive were abolished, and, more daring still, it was decided to revolutionise the whole ancient land system. The lands of the provinces were to be let to the highest bidders, and leases granted to the ryots for five years. The measure which was put into operation may not have been "arbitrary and cruel," as has been alleged, but it was soon proved unworkable; and while the labours of its servants were doubled, the revenues of the Company were not improved. In less than a year and a half the office of Naib Dewan was restored, and the seat of justice returned to Murshedabad. In 1774 the English supervisors or collectors were recalled and their places again given to natives.

When the Dewani had been removed thither, Hastings clearly foresaw the high destinies of Calcutta. "By the translation of the treasury," he wrote to a friend, "by the exercise of the Dewani without an immediate agent, by the present superintendency of the Nabob's household, and by the establishment of the new courts of justice under the control of our own government the authority of the Company is fixed in this country without any possibility of a competition and beyond the power of any but themselves to shake it. The Nabob is a mere name, and seat of government effectually and visibly transferred from Murshedabad to Calcutta, which I do not despair of seeing the first city in Asia, if I live and am supported but a few years longer."[1]

[1] Letter to Mr. Sykes in Gleig's *Life of Hastings*.

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But in all this work of reform, which had been ordered by the Company, Hastings complained that he had received a dangerous mark of distinction in being alone entrusted with its execution, saying that the effect was, his hand was against every man, and every man's against his. "Like Clive, he was sowing the seeds of hatred and vengeance—the bitter fruit of which he was to taste hereafter." Besides all these laborious and trying occupations, constant anxieties arose out of the Company's connections with the Nawab of Oudh and Shah Alum, and the encroachment of the Mahrattas, who occupied or overrun for uncertain seasons the whole of the interior of India, from Delhi to the frontiers of Oudh, from the Ghauts of the Carnatic to the Ghauts behind Bombay.

The evacuation of Delhi by Abdallah Shah and the peace following on the Rohilla occupation caused Shah Alum to desire the Company's assistance to enable him to return to his capital. But the Company had steadily been against granting troops for this purpose, and the Mogul Emperor was thus thrown into the hands of the Mahrattas, who conducted him into Delhi in triumph. The Rohillas subsequently gave great uneasiness to the Nawab of Oudh, who involved the Company in the quarrel. It was Sujah Daulah's wish to annex to Oudh a large tract of the Rohilla territory. Hastings, seeing that the Mogul's authority was the merest shadow, agreed to support the project, on condition that the Nawab would defray all military expenses, and also pay forty lakhs of rupees into the Company's

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treasury. The result was the subjugation of Rohilcund, and the transference of Allahabad and Corah, which had previously been allotted to the Mogul, to the Nawab Vizier in consideration of the Company's being paid fifty lakhs of rupees.

About this time, it having been rendered evident that twenty-six lakhs of rupees per annum was too great a price to pay to Shah Alum for the merely ceremonial investiture of the Company in the Dewani of Bengal, over which neither he, as Mogul, nor his immediate predecessors had any control, Hastings notified the Emperor that this tribute would cease to be paid in future. No wonder the Company's treasury, lately empty, now grew replenished, or that Hastings could write that "when I took charge of Bengal in April, 1772, I found it loaded with a debt at interest at nearly the same amount as at present; in less than two years I saw the debt completely discharged, and a sum in ready cash to the same amount in the public treasuries". Is it any wonder, also, that the Company, while condemning the use which he had made of its troops in the reduction of the unfortunate Rohillas, should frankly laud Hastings for his enterprise and zeal? But before the welcome sound of this cataract of rupees pouring into the Company's coffers in Bengal could reach its ears, that body in London itself had passed through the fiery ordeal of Parliament and emerged not unscathed.

The session of Parliament in January of 1772 opened with a speech from the throne recommending new laws for the British possessions in India, some

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of which were "so peculiarly liable to abuses and exposed to danger, that the interposition of the legislature for their protection may become necessary". Meantime the enemies of Lord Clive in the Court of Directors and the Company's Bengal service had been busy in preparing an attack upon him in Parliament, the one in return for his unfriendly attitude towards them—Sulivan and his friends—and for the advice which it was known he was then tendering the Government hostile to their plans, and the other for his treatment of them while in power in Calcutta. It will hardly be necessary to describe again a drama which has engaged so many pens. Enough to say, that two months later Sulivan in his place in the House of Commons gave notice of a Bill "for the better regulation of the affairs of the East India Company and of their servants in India, and for the administration of justice in Bengal". In his speech Sulivan claimed that the Company was free from blame in the matter of Indian maladministration, which was laid at the feet of its servants, who had persistently disobeyed its orders. Sulivan clearly implicated Clive himself, whose enemies had previously openly charged him in print with being the fountainhead of all the mischief. Clive replied in a lengthy and passionate speech, in which he denied that he had ever "in a single instance lost sight of what he thought the honour and true interest of my country and the Company".

One passage in this speech was especially significant of the change which had now come over so many of the Company's servants—of the new posi-

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tion of the Company itself: "Trade," he said, "was not my profession—*my* line has been military and political. I owe all I have in the world to my having been at the head of an army. As to cotton, I know no more about it than the Pope of Rome!"

He did not hesitate to attribute "the present bad situation of affairs to four causes: a relaxation of government in my successors; great neglect on the part of administration; notorious misconduct on the part of the directors; and the violent and outrageous proceedings of general courts." All this was aggravated by the system of annual elections at Leadenhall Street; the directors thus elected were too dependent on the proprietors of Indian stock, who returned them; he declared that one half of the year was employed by the directors in discharging obligations contracted by their last election, and the second half of the year spent in incurring new obligations for securing their election the next year by clandestine bargains with the stockholders and others. The result was that the directors had not proper time for the despatch of the Company's business, and the orders sent out to India were so fluctuating, and frequently so unintelligible, that the servants in the country had, in many instances, followed their own opinions rather than their orders."

While there was doubtless much truth in this, yet the great fact which both directors and proprietors saw was that, in spite of all the vast wealth obtained by its servants in the Company's name, the Company itself did not participate in the spoils to

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an extent sufficient to free it from grave pecuniary difficulties.[1]

In April, 1772, the House of Commons agreed to the appointment of a Select Committee of inquiry, comprising thirty-one members. This committee had made but little progress when the session ended. On the 8th of July the books were audited. It was discovered that there was a deficiency between assets and liabilities of no less than £1,293,000. To add to its financial troubles, the Company had been making an attempt, by means of an indemnity upon tea, to destroy the foreign East India Companies. This did not meet with all the success it deserved, and caused the Company a loss of close upon a million. The directors were obliged to apply to the Bank of England for a loan of £400,000 to meet the payments falling due. This was on the 15th of the month; on the 29th they begged an additional loan of £300,000, but the Bank would only advance two-thirds of that sum. A fortnight later, Sir George Colebrooke, the chairman, and Sulivan, then deputy chairman, waited upon Lord North, the Prime Minister, to tell him that unless the Company were allowed to negotiate a loan of a million it was confronted by ruin.

The Ministry were ready to relieve the Company's embarrassments by a loan, but at the same

[1] The directors seem to have had rather a thankless task. In January, 1776, a General Court was actually held to consider an increase in the directors' salaries, which had remained unaltered since the Revolution. This was not accomplished at this time, one hundred being against it and only sixty-five for it.

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time the occasion was not one to be lost for making terms of their own choosing. At the opening of the Parliamentary session of 1773, recognising the real motives of the Select Committee, they appointed a Secret Committee of thirteen members, with powers to inspect the Company's books and accounts, in spite of a violent opposition from the directors. Colonel Burgoyne, chairman of the Select Committee (and an enemy of Clive), vindicated the proceedings of the Select Committee, "declaring that its inquiries, if allowed to proceed, would disclose such a scene of iniquity, rapine and cruelty as had never been discovered until then". The King and Lord North felt obliged to agree that the Select Committee should be continued; and thus two committees of inquiry proceeded with their investigations at the same time. The sum of their inquiry was soon known—it was that the government of the Company was too weak, divided and distant to exercise any real control over the multitude of its officials in India. These officials bent all their energies to extort money from the natives in order that they might return to England rich men. "At every turn of the wheel, at every change in the system or the personality of the government, vast sums were drawn from the native treasury, and most steps of promotion were purchased by gifts to the English."[1] A great proportion of these gifts, going to minor servants for procuring minor promotions, were never disclosed. Yet so vast were they that the detailed account of

[1] Lecky.

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the certain sums published by the Select Committee of 1773 showed that, omitting the grant to Clive after Plassey, £5,940,498 had been distributed by the Bengal princes between 1757 and 1766!

On the 10th of May Burgoyne moved the following resolutions :—

"1st. That all acquisitions made under the influence of a military force, or by treaty with foreign princes, do of right belong to the State.

"2nd. That to appropriate acquisitions so made to the private emolument of persons entrusted with any civil or military power of the State is illegal.

"3rd. That very great sums of money, and other valuable property, have been acquired in Bengal from princes and others of that country by persons entrusted with the civil and military powers of the State, by means of such powers; which sums of money and valuable property have been appropriated to the private use of such persons."

When these had been carried, a further resolution was moved accusing Clive of receiving moneys rightfully belonging to the Company, amounting to £234,000, thereby abusing his powers and setting an evil example to the servants of the public. A long debate followed; Clive was virtually upon his trial: but the attack failed and Clive was, if not "triumphantly acquitted," yet sufficiently exonerated. The terms of a further resolution declared that "Robert Lord Clive did at the same time render great and meritorious services to his country".

Though thus relieved from anxiety concerning his fortune, the excitement of the protracted inquiry

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unquestionably affected Clive's mind, and a few months later, in November, the Company's great servant died by his own hand at his house in Berkeley Square.

If the Select Committee, championing perhaps misguidedly the Company's interests, had thus degenerated into a group of Clive's personal assailants and had so failed, the Committee of Secrecy appointed by the Crown, to examine the affairs of the Company and to state whether it should be allowed to carry out its own reform proposal of sending out six supervisors to superintend the Government of India, was to achieve a more practical and abiding result.

Still unable to obtain money, the Court of Directors of the Company had no resource but Parliament. On the 9th of March following they humbly petitioned the Commons for a loan of £1,500,000 for four years at 4 per cent. In reply, the Ministry offered to lend the Company £1,400,000 and to give up the claim of £400,000 a year which the Company had been paying from its territorial revenues till this debt should be discharged, on the strict condition that it should not raise its dividends above 6 per cent. until the liquidation of the debt. By complying with these and some other conditions and restrictions, the Company was to remain in possession of all the territories it had acquired for six years to come, when its charter would expire. To no purpose did the Company petition against these terms as "harsh, arbitrary and illegal": it could not do without the money; the Ministry

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were determined to allow it to be raised only on such terms, and the proposal was carried in the House by a large majority.

Clive had not repeatedly been consulted by the King and his Prime Minister without impressing upon them his own views of reform. He had frankly advised that "the constitution of the East India House ought to be undemocratised; that the Court of Proprietors was a bear-garden, ever full of noise, intrigue, confusion and anarchy; and that its direct influence and action on the Court of Directors was an obstacle to all good management and consistent government". On 3rd May Lord North introduced a series of proposals tending to a change in that constitution which may thus be summarised: 1st. That the Court of Directors should in future, instead of being chosen annually, be elected for four years; six members annually, but none to hold seats for longer than four years. 2nd. That the qualification stock should be £1,000 instead of £500; that £3,000 should give two votes, and £6,000 three votes; 3rd. That in lieu of the Mayor's Court at Calcutta, the jurisdiction of which was limited to small mercantile causes, a supreme court of judicature, consisting of a Chief Justice and three puisne judges, should be appointed by the Crown, with great and extended powers of cognisance over the civil and criminal jurisdiction of the subjects of England, their servants and dependents, residing within the Company's territories in Bengal; 4th. That a Governor-General with four councillors should be appointed to Fort William, and vested with full powers over the Pre-

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sidencies. This board was to transmit regular reports of its proceedings to the Court of Directors, who were, within fourteen days of the receipt of their despatches, to furnish copies of them to one of His Majesty's secretaries of state, to whom they were also to send copies of any rules and ordinations they themselves might make; and these were, if disapproved by His Majesty, to become null and void. The nomination of the first Governor-General and members of Council was vested in Parliament and was to continue for five years, after which term those high offices were to be filled up by the Court of Directors, but still subject to the approbation of the Crown. Lastly, it was to be enacted that no person in India, in the service either of the King or the Company, should henceforth be allowed to receive any presents from the native Nawabs, Rajahs, Ministers, agents or others; and that the governor-general, members of council and judges should be excluded from all commercial pursuits and profits.

A bill founded on the foregoing resolutions was duly passed, and eventually came into operation in England on the 1st October, 1773, and in India on the 1st August, 1774. By far the chief title of this measure to renown is that it marked a radical change, not only merely in the constitution of the East India Company, but in the relations of the Company to the Crown. The anomaly which had so long existed between the British Government and Company, whose ratification had been shirked by successive Ministers, now gave way to a working arrangement between the two parties in which the authority

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passed to the monarch and his ministers in Parliament, constituting the central administration. From this time forth "the Company must be regarded as almost entirely in the hands of the Ministers of the Crown, and only so far responsible to Parliament as were the Ministers themselves".[1] It was the first measure adopted by the British Parliament to establish efficient government amongst the native races of Hindustan. It was naturally exposed to the fiercest, and perhaps the justest criticism. Indeed, its defects were in practice soon made manifest, and the Regulating Act of 1773 underwent, in all essential points, a wide modification. But it likewise contained some features as praiseworthy as they were destined to be permanent, and the abolition of annual elections and the raising of the qualification for a vote were not the least of these.

It is a notable circumstance that Burke, who afterwards became such a violent opponent of the Company, in 1773 passionately denounced Lord North's bill as "a violation of the charter of the Company, and a spoliation of private individuals". He altogether denied that the Government had any right to territorial revenues acquired by the efforts of a private corporation, and scouted the notion that to exchange the Crown's rule for the Company's would ameliorate the condition of the natives of India. "If," declared Burke, "Indian patronage were to pass into the hands of the British Government it would be a beginning of

[1] *The Early Chartered Companies*, p. 141.

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such a scene of frauds, impositions and Treasury jobbing of all sorts, both here and in India, as would soon destroy all the little honesty and public spirit we have left."[1]

In making choice of the first Governor-General in India under the "Regulating Act," one candidate stood forth conspicuous for his fitness. Long experience in India, proved capacity, and indefatigable industry, all pointed to Warren Hastings, who was accordingly named by the new parliamentary authority. The four members of Council appointed with Hastings, and, unhappily, each with powers nearly co-extensive with his own, were General Clavering, Colonel Monson, Barwell and Philip Francis, the author of the "Junius" letters.

We now turn to an affair in which the Company was closely concerned which was happening not in the East, but in the West. In 1769 the British Government had imposed a duty on all tea entering the ports of the American Colonies. There was no logical reason why this tax should not have been imposed; a tax was necessary, tea was a luxury, and the money was intended to support the administration of the Colonies, then becoming a burden on the mother country. But perhaps owing to the manner in which the measure was passed and applied the tea duty became obnoxious, and the Americans only waited for an opportunity of forcibly displaying their repugnance.

In 1773 some 17,000,000 lb. of tea lay unsold in

[1] *Burke's Correspondence*, vol. i., p. 390.

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the Company's warehouses.[1] Money, as we have seen, was urgently needed to rescue the Company from extreme embarrassment bordering on bankruptcy, and the happy plan was adopted of securing a licence from the Treasury to export this tea to America on the Company's own account, instead of having, as formerly, to dispose of it to middlemen. The Company, therefore, selected its own agents in the different Colonies as consignees, the latter being persons friendly to the British connection.

If the tea could be once landed it would, owing to its low price—lower than in England (the export duty having been withdrawn)—doubtless find purchasers, in spite of the resolve of the more rampant colonists not to receive any tea whatsoever until the duty was repealed. In the meantime they consumed tea smuggled by their own compatriots, who were amassing large fortunes in this business. Fearing that the Company would be able to undersell them, these smugglers entered warmly into a conspiracy to prevent the landing of the tea, or, if they were defeated in this, to boycott all those concerned in its handling and sale. In 1773 three ships freighted with tea reached Boston Harbour; on the 16th December some half-hundred of the so-called "Sons of Liberty," in the guise of Mohawk Indians, led by Samuel Adams, Hancock (whose uncle was a wealthy

[1] A report was made in December, 1772, to the effect that the Company had in their warehouses in London 16,000,000 lb. of tea. At the same time the Company's home assets were valued by a surveyor, when it was estimated that their India House and warehouses were worth £214,000.

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tea smuggler) and other malcontents, boarded the vessels and flung the entire cargo of 342 chests into the sea. The lawless mob then retired with impunity, the King's Government being unable to cope with the growing spirit of insurrection. The ship which arrived at Charleston landed her cargo, but the persecuted consignee disappeared, and the tea was abandoned to perish. Elsewhere, at New York and Philadelphia, the patriots compelled the Company's ships to sail back with their tea to England.[1] This incident is commonly spoken of as being one of the chief brands which kindled the American Revolution.

At Madras, when the Company's Council refused to comply with Haider Ali's request for guns and sepoys to help him to fight the Mahrattas on the ground that this was not a defensive war, they had received similar overtures from the Peishwa of the Mahrattas, which they also declined. Upon these two native powers ceasing fighting in 1772, Mohammed Ali, the nominal lord of the Carnatic, thirsty for conquests, prevailed upon Governor Josias Du Pré to help him to subjugate the Marawars, which really owed allegiance to the Rajah of Tanjore. The unfortunate Marawars were duly chastised, and thus was the first step taken by the Madras authorities towards destroying the power of the Rajah of Tanjore.

The Company, in its letter to the Nawab, 25th March, 1772, had acknowledged that the rashness

[1] Lecky, *History of the Seventeenth Century*.

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of the Rajah of Tanjore in taking up arms against the Marawar and Nalcooty would at all events have urged it to unsheathe the sword in order to chastise him had the Nawab ensured the necessary resources. Mohammed Ali now offered ten lakhs of pagodas for the purpose of removing Tulja-ji, and himself assuming the nominal government of Tanjore. Wynch, who replaced Du Pré[1] at the head of the Madras Council, therefore closed with the Nawab's offer, and wrote home to the Company that the "political existence of the Rajah of Tanjore was incompatible with their own safety; that it was dangerous to have such a separate independent power in the heart of the Carnatic; that the Rajah, in case of war breaking out in Europe, would be sure to join the French; and, finally, that the propriety and expediency of embracing the present opportunity of reducing him entirely before such an event took place were evident".

It is impossible, even if it were useful to any but close students of Indian history, to ascertain in detail all the facts, motives and considerations underlying this transaction. It will be found fully, if not quite convincingly from one standpoint, dealt with by Mill, who, while disentangling the threads of Arcot, Tanjore, Trichinopoly and the Marawars, takes occasion to deduce the moral that "there is no constitution in

[1] On Governor Du Pré's return home the chairman, on behalf of the Company, complimented him in laudatory terms for his wise and upright management of its affairs in the Carnatic, and for his exemplary conduct towards the Nawab, and in particular for his invariable regard to their orders in all cases.—*Minutes*, 18th August, 1773.

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India but the law of the strongest. The fact," he adds, "is important, and has often been mistaken by the inaccurate minds, which hitherto have contemplated Indian affairs." It is dread of falling into this category that leads the present writer to omit the brain-racking discussion of the rights and wrongs of the action of the Madras Council in dispossessing the Rajah of Tanjore. Enough to say that, in our opinion, Wynch and his colleagues were not animated by personal greed, but believed, with reason, that they were fulfilling the wishes of the Company, which, in turn, uninfluenced by European codes and customs, was attempting to carry out a strong, consistent policy in India.

On the 16th September, 1773, the stronghold of Tanjore was taken by assault, and the Rajah and his family were made prisoners.

On the 26th March, 1774, the news of the deposition reached England.[1] It is not necessary to seek reasons for the alleged "silence" of the Court of Directors with regard to the deposition of the Rajah of Tanjore. It is not even necessary to urge in their defence that "the situation of affairs

[1] It was inevitable that the episode should be transformed into a tragedy. It was said that the Rajah of Tanjore, Tulja-ji, was closely confined in a dungeon in his capital; iron fetters were spoken of. "Some tender-hearted persons at the India House," it was said, "believed that Tulja-ji was their miserable victim. Some feeling clerks in office dissolved into tears upon hearing the melancholy tale, and even a few directors at the weekly feast at the London Tavern were observed to abstain from the delicacies of the Company's table when they heard the sad reverse of fallen majesty."—Macpherson. See also Rous, *The Restoration of the King of Tanjore*, 1777.

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in England lessened the attention of the directors to political concerns in India," or that in the very month when the Madras despatches arrived they were only just in receipt of the Parliamentary instructions to the members appointed to the Bengal Council. As a matter of fact, the Company was *not* silent; as Hayman Wilson has shown, it apprehended that the matter was one which would call for investigation, and it set about, immediately on receipt of the Madras consultations, the preparation of exhaustive papers, which were ready for the hands of Lord North at the close of the year 1774 or the beginning of 1775.

As to the much-vexed question whether the Company approved or disapproved of the action of the Madras Council, there is little doubt of its being answered in the affirmative. The Court of Directors had long held opinions on this very matter of the Rajah of Tanjore's conduct and position, and these were decidedly adverse to the Rajah. If the Court had ever vacillated on this point, it was clearly owing to the pressure exercised from without by unenlightened public opinion or by persons who were actuated by ulterior motives. Chief amongst these persons was George Pigot, now raised to an Irish barony. Pigot hoped to become the arbiter of the fate of the Carnatic, as his friend Clive had been of Bengal. His attitude towards the Madras Council and Mohammed Ali was antagonistic.[1]

[1] The enterprising Nawab, not content with writing to and receiving letters from King George, had long been intriguing with the Government through his London agents. He even proposed to advance £700,000 at two per cent. to the nation in return for assistance, at a time when he was all but bankrupt at Arcot.

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The Court of Directors having, by a small majority, nominated Thomas Rumbold as Governor of Madras early in 1775, their choice was overruled by the Court of Proprietors, who wished Lord Pigot appointed. Pigot, whatever his former greatness, had outlived his prime. But his faction amongst the proprietors was strong and persistent, and they succeeded in procuring his appointment. Their success only demonstrated the unworkableness of the existing constitution; it made the necessity for a still more trenchant abridgement of the power of the generality clearer than ever. It would have been far better for Lord Pigot if his ambition had perished with his youth; his heedless followers in the Court of Proprietors were hurrying him to his grave. Pigot was not now of the stuff to become the arbiter of the fate of the Carnatic.

Pigot soon succeeded in effecting a change of front amongst the Court of Directors. The orders which he desired to bear out to Madras were, according to James Macpherson, "penned by a ready scribe, a clerk in the India House, under the inspection of Lord Pigot. But notwithstanding they lay a fortnight on the table before a legal number of signatures could be obtained. The fate of a kingdom hung at last on the point of a moment. Lord Pigot threatened to resign; Mr. Harrison was just retiring to Bath on account of his health; Mr. Wheeler himself became indifferent about the promised seat in the Supreme Council at Bengal. The infectious sorrow spread itself to the very clerks in office. Mr. Wilks ceased to pore upon despatches and records; and one solitary

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tear was observed to wander upon the cheek of Mr. Holt. To brighten up the face of the India House some of the opposing directors thought it expedient to relent. The orders were accordingly signed on the 12th April, 1775, on the very day of the annual election, when the Court of Proprietors were met to choose new directors and had consequently suspended the authority of the old."

The substance of these contradictory and unfortunate orders was contained in a sentence: "We have determined to replace the King of Tanjore on the throne of his ancestors, upon certain terms and conditions, for the mutual benefit of himself and the Company, without infringing the rights of Mohammed Ali Khan, Nawab of the Carnatic".[1] But at the same time the Company insisted that he should admit a garrison of its troops into his capital; that he should assign revenues sufficient for their maintenance and for military stores, that all fortifications should be carried out at the Rajah's expense, that the Company should supervise his external relations and fix the number of bodyguards in his service.

Lord Pigot arrived at Fort St. George on the

[1] "Lord Pigot himself, transferring all his friendship for Pretaupa (Pertab Singh) to the unfortunate Tulja-ji, resolved to pass immediately to Asia, to save the life of the devoted Rajah from the dagger of Mohammed Ali. That hardened prince, it had been found by experience, was capable of any injustice. Though he had appointed Lord Pigot his agent in England, much of the salary attached to the office remained unpaid. . . . The Nabob, it seems, had been unpardonably negligent in his remittances."—Macpherson, 1779. Pigot's resolve to subvert the Company's policy may not wholly have been uninfluenced by such considerations.

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11th December, 1775. Pigot's intentions were precise, and he proceeded to execute them, in spite of the opposition and disgust of the Council. He undid all that Wynch's Council had done; the English garrison of Tanjore was reinforced and the Rajah liberated and re-proclaimed in April, 1776. To no purpose did Mohammed Ali complain of "the policy adopted by the Company, of *doing one thing by its servants in India, and the very reverse by its directors in England*," and declared that "he was unable to understand it in this double capacity". All in vain the Nawab argued and "pathetically appealed to the services which he had rendered to the Company and to his own declining years and urged the assurances of the King of Great Britain, conveyed to him by Sir John Lindsay". The step was taken and it was followed by others which proved fatal to Pigot. Grievous dissensions broke out in Council, not dissimilar to those which were going on in Bengal. The end was that the Governor was arrested by his opponents and placed in confinement. Those who had supported him in his measures were suspended. The King's admiral, Hughes, to whom the Governor appealed, refused to do more than make a formal requisition for his person, to which the acting Council replied that "they had no proof that the Crown empowered its officers to require the removal of any servant of the Company, in such a situation as that of Lord Pigot, from under the authority of the Company's government."[1]

[1] Thornton, *British Empire in India.*

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Pigot was an old man; his constitution had already been tried severely; his incarceration preyed upon his mind and body, and in eight months he was dead. The Supreme Council at Calcutta though called upon did nothing: the simple reason being, so far as it is possible to divine it, that neither Hastings nor the rest believed in Pigot's policy and hesitated to make trouble elsewhere when they had, as we shall see, such a deal of their own on their hands.

When the news reached home the Company in a general court, held 26th March, 1777, moved "that it be recommended to the Court of Directors to take such measures as shall appear to them most effectual for restoring Lord Pigot to the full exercise of the powers vested in him by the commission from the Company, as Governor and President of the settlement of Madras, and for inquiring into the conduct of the principal actors in imprisoning his lordship and dispossessing him of the exercise of the legal powers wherewith he was invested". Already the anti-Pigot faction in Madras had its supporters in England, 140 voting against the motion to 382 in its favour. In the Court of Directors a proposal to send out a commission of inquiry was defeated, but subsequently a motion to restore the Governor and suspend his gaolers was carried by a bare majority. When the Company was attacked for its conduct of affairs in the Carnatic, it undertook its defence convinced of its own integrity and the rectitude of its measures. In a public advertisement, the Court of Directors assured their constituents and the nation at large "that from the materials before them, they

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had not the least doubt of refuting the heavy charges brought against them, which could they be proved would not only render them unfit to conduct the affairs of the Company, but utterly unworthy of every degree of public trust and confidence". A voluminous defence was published, containing its own and its servants' despatches, and convinced all reasonable persons of the Company's probity. A return to the old policy was inevitable. The annual election supervened, a new set of directors appeared on the scene. The chairman, Wombwell, was no friend to Pigot, and succeeded in carrying resolutions condemning his conduct, as having exceeded his authority and reproaching him for having received any presents from the Nawab of the Carnatic, although these had been pressed upon him and were of trifling value. A general court resolved both on his lordship's recall and on that of the rest of the Council, but before the Company could actually send the order it was known that its distinguished, but perverse, servant was beyond the reach of either assistance or rebuke. Nevertheless, Pigot's enemies were not altogether to escape. In 1779 four of them had returned home with great wealth; one of them, Stratton, became a member of Parliament. A Crown prosecution was set on foot at the instance of Admiral Pigot, the late Governor's brother; the accused parties were found guilty and sentenced to pay the moderate fine of £1,000 each.

The head of the new Council which the Company had sent out to Madras, as a temporary governor, pending an inquiry, was Sir Thomas Rumbold, a

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member of the Court of Directors, whose appointment, it will be remembered, the proprietors had blocked in 1775.[1] It would have been far better for Rumbold's fame, also, if he had declined this appointment. He was going out to great difficulties and strong temptations, and he would return to pass the rest of his days under much unmerited obloquy.

[1] Rumbold was born in January, 1736, at Leytonstone in Essex. He was the youngest son of William Rumbold of the East India Company's naval service, whose father had also been in the service of the East India Company. When sixteen, Thomas Rumbold was appointed a writer to Fort St. George. He soon changed civil service for military, and was present at the siege of Trichinopoly and at the retaking of Calcutta in 1756, where Lord Clive promoted him to a captaincy in recognition of an act of bravery. At Plassey he acted as Lord Clive's aide-de-camp, but was seriously wounded and was obliged to resume his civil duties again. In 1769 he returned to England with a handsome fortune, but with broken down health. He interested himself in the India House, and was named as a successor of Hastings.—*Vindication of Sir Thomas Rumbold*, by Elizabeth Anne Rumbold, 1868.

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WARREN HASTINGS,

GOVERNOR-GENERAL OF BENGAL.

From a Portrait by Sir Joshua Reynolds.

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CHAPTER IX.

Warren Hastings to the Rescue.

ONE marked effect of the Regulating Bill was that it lent a far greater cohesion to the governing powers of John Company,[1] enabling it the better to resist the attacks of the envious and malignant, and also to escape the surveillance of a curious public. To this public, assiduously fed by the pamphleteers, the East India Company was a compound of ignorance and venality. The one thing it did not know anything about was India. The directors rarely or never rose above a purely commercial level. "Can it be supposed," it was asked, "that such an extent

[1] Jehan Company or Kompani Bahadar. The origin of the term is obscure; but the contention that it was borrowed from the Dutch "Jan Companie" need not be pressed upon us unduly. It was a Hindu custom to personify all unseen powers. When the arrival of a British traveller (Lord Valentia) was announced to the Nawab of Oudh in 1803 it was in these words: "Lord Saheb Ka Changa, Company Ki Nawasa teshrif laia," which the noble author thus translates, "The Lord (Wellesley) sister's son and the grandson of Mrs. Company is arrived". "These titles originated from a belief of the natives, that the India Company is an old woman, and that the Governors-General are her children."—Lord Valentia's *Voyages and Travels*, 1809. In that entertaining book, *The Adventures of Hajji Baba*, first published in 1824, the hero of the tale is commanded by his master "to bring positive intelligence of who and what the *Coompani* was, of whom so much was said—how connected with England—whether an old woman, as sometimes reported, or whether it consisted of many old women; and whether the account, which was credited, of its never dying, like the lama of Thibet, were not a fable".

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of empire as that from Persia to the Ganges will receive laws from and be beggared by a handful of Europeans?"

"To support the appearance of authority," we are told by a contemporary antagonist of the Company, "some ignorant clerk, who thought insolence a mark of dignity, penned their despatches and assumed the manner and diction of despotic power; but their orders were only obeyed when they suited the views of those to whom they were addressed."

We have more than one glimpse afforded us of the Court of Directors as they appeared to outsiders in the days of Clive and Hastings.

"Unimportant," observes one malicious scribe, "as the condition of the common herd of directors might appear to have been at home, it became an object of ambition to their servants when they returned from abroad. The latter, together with the spoils, having acquired the manners of the East, frequently took arms against the authority to which they owed their power; till by force, by negotiations or compromise they obtained seats at the Board. The first use they made of their power was to cover the retreat of their own fortunes from India; and to support in some friend, favourite or partner in plunder the same system of venality and corruption which had enriched themselves. Their local knowledge being blended with local prejudices, instead of enlightening the ignorance of other directors, perverted their judgment. Inflamed by disappointments, but forgetful of favours, they seldom failed to suggest such measures as might contribute to distress those

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who had failed to extend their liberality to the utmost limits of their avarice. Thus the injustice and oppression committed by the servants of the Company in India, instead of being checked by the authority of the directors, were too frequently encouraged by their approbation. These general observations are not intended as a general censure; for in the conduct of the Court we sometimes meet with some commendable deviations from the lines we have above described and stigmatised."[1]

Such a picture is, as we know, as utterly false and misleading as it is malicious. It is sufficiently disproved by the Court's despatches and by what has come down to us of its proceedings, which exhibit a body of men sincerely animated by a desire to know the situation at all points and to direct their servants prudently. We know that a huge map of Hindustan hung in the directors' room, that there were bookshelves filled with Asiatic literature and reports, and that both were so patiently and sedulously studied by nearly the whole of those who had never been in India, with the sole object of forming a detached and impartial opinion of current events, that the twenty-four directors, so far from being ignorant and venal, were the only just and enlightened Indian authorities of their day. We know also from the minutes and from both public and private correspondence how seriously these maligned directors of the Company took their duties, what a weight of responsibility they felt to lie upon their

[1] "Ossian" Macpherson, writing from his relative (Sir) John Macpherson's notes.

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shoulders. If we seek for a credible instance of combined levity and venality we shall far more surely find it in the larger committees of either House of Parliament than in the Court of Directors at East India House.

In Bengal, Hastings, conscious of what he had done for the Company in his two years of office, may pardonably have felt some anxiety as to the new arrangement which Parliament had imposed upon his masters. It is said that he received his colleagues from England coldly. The three new members who were to control that government of which he was nominally the head, General Clavering, Monson and Philip Francis, arrived at Calcutta on the 19th day of October, 1774. Barwell, the fourth member, had been in India long before. On the following day the existing government was dissolved by proclamation, and the new Council and Hastings (with the rank of Governor-General of Bengal) took possession of their powers.

The general letter of the Court of Directors, which was read at the first meeting of the new Council, recommended above all things unanimity and concord among those to whom the powers of government were delegated; it required them to do their utmost in order to preserve peace in India. But unanimity and concord were incompatible with a body so constituted, with views and natures differing so radically.

It was soon manifest that three of the councillors had come out "to detect and reform abuses, which the long knowledge of Hastings and Barwell

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viewed in a different light, or with a better acquaintance as to the primary causes of them, and the difficulty of any sudden changes". Hastings, too, conscious of his own superior knowledge of Indian affairs and the Indian character, and accustomed for some time to an almost undivided authority, was little likely to descend cheerfully from a whole to be only a fifth, or to entertain an implicit deference to the opinions of men who had passed their lives in such a totally different sphere. Clive had always counselled that a governor should, at least in his political negotiations, assume a high and almost single authority. This counsel, so perfectly adapted to India, he never lost sight of. The members of the new body began their open quarrel upon the transactions in Oudh and the Rohilla war. They asserted, by implication, that Hastings had embarked in that war for private and sordid motives, and that his connection with Sujah Daulah was similarly inspired. This was not true. He had acted solely for the Company's benefit, and principally at the Company's express command. He was "above, and constitutionally indifferent to, money for himself," and in reality a poorer man than when he had quitted the Council at Madras.

Hastings' reply to their charges was commendably moderate. He declared that, although a majority had been designedly formed against him, he would not quit his ground: he "appealed to a large portion of his life passed in the Company's service, and rested his cause solely on the measures which had drawn him into his present vindication,

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measures adopted solely for the Company's benefit and the national honour". But his three uncongenial colleagues, led by the vindictive and indefatigable Francis, soon reduced Hastings, with his adherent Barwell, to a cipher. They recalled Middleton from Oudh; they displaced other able servants who had been trained under Clive and his great successor; they proceeded to undo nearly all that Hastings had done; they virtually converted government into anarchy, and spread amazement and consternation among the natives. They frightened the Nawab Vizier, Sujah Daulah, to death. That prince died early in 1775, dictating in his last moments a letter to Hastings to implore his protection to his son, Asoff-ul-Daulah, who succeeded without opposition to Oudh and its dependencies, including Rohilcund. But the new Council accorded him not a moment of tranquillity, stipulating for fresh advantages for the Company in return for its continued alliance. In spite of Hastings' indignant opposition they forced the young Nawab to cede to the Company, in return for its guarantee of the possession of Corah and Allahabad, the territory of Cheyte Singh, Rajah of Benares, although, strictly speaking, this was not his to cede, having been guaranteed to the Rajah by Hastings. The revenue of the territory thus alienated was estimated at 22,000,000 rupees; but as this robbed the young Nawab of Oudh of nothing, he was bound in the same treaty to discharge all his father's debts and engagements whatsoever with the Company, and to raise greatly the allowance to the Company's troops.

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This arrangement was so ingeniously explained that it met with the approbation of the Court of Directors, to whom money was at this moment a weighty consideration, and who were not particularly concerned about the "rights" of native powers founded upon conquest, and maintained, for the most part, with so little regard to political honour or the good of their subjects. If the Company was to survive as a power in India, it must be by removing all possible sources of danger to its authority.[1]

Among the first acts of the Company's deputy rulers in India under the Regulating Act of 1773 was to notify from Bengal the Presidencies of Madras and Bombay the new scope of their powers, and to demand from each a full report of its actual political, financial and military condition.

Bombay had long been quiet and removed from the struggles of war. Elsewhere in India the Company's territorial limits were constantly expanding, but its western coast settlements were but little changed from Sir John Gayer's day. Surat, once the leading factory in this quarter and the headquarters of the Anglo-Indian Persian trade, had long sunk to a mere dependency upon Bombay. Since the invasion of the Afghans of that country in 1722, Europeans had had but little trade with Persia,

[1] "Upon the principle of self-preservation the directors confirm this treaty of Benares, and direct that no further remittance should be made to the King. . . . The Vizier's territory forms a barrier to the Company's possessions. . . . The directors view the treaty of Allahabad as compelling the Government to aid the Vizier in defending his dominions, but not in the prosecution of new conquests or any warlike enterprises."—Letter to Bengal, March, 1775.

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whose internal affairs long continued in a deplorable state. Ispahan had early been ruined; its condition "between sword and famine" at the time the Company's factory there was abandoned was (wrote the agent) "horrible". The luckless Shah Husain surrendered his throne to his Afghan conqueror, and nearly forty years elapsed before trade to any extent with Persia was revived. In 1759 the Company's factory at Gombroon had been taken by the French, and subsequent native oppression and extortion had induced the Court of Directors to order the factory to be given up. It was subsequently fixed at Bushire, "where," says Malcolm, "it continued subject to all the vicissitudes of the changing and unsettled government within the dominions of which it was established".[1]

Although the commerce of Bombay had grown, the Presidency had made neither an extension of territory nor of political influence. The town of Bassein and the island of Salsette, commanding an entrance to Bombay harbour, continued in the hands of the Portuguese until 1750, when they were conquered by the rising power of the Mahrattas. The Company had long desired to possess Salsette, and believed that the service which Watson and Clive had rendered in the matter of the pirates in 1756 should render negotiations easy. But the Mahrattas were obstinate, although the Company's resident at Poonah continued to urge the matter at the Peishwa's Court.

In 1773, after various other attempts had failed,

[1] *History of Persia.* Danvers' *Report.*

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advantage was taken of the confusion and civil war which ensued on the assassination of Narrain Rao, and the election of a new Peishwa. A force sent against Salsette stormed the principal fort and then took quiet possession of the island. To secure this conquest and to obtain some territory in the neighbourhood of Surat, the Bombay Presidency concluded a treaty with Ragoba, one of the aspirants to the musnud. Ragoba made the desired grants, and received his price in Company's troops and sepoys to oppose his competitors. The Presidency sent Colonel Keating, with 500 European infantry, 80 European artillery, 1,400 sepoys, and 160 Lascars, with a field-train and some heavier pieces, to assist Ragoba, who had himself a large army of horse. On the 18th of May, 1775, Keating on the plain of Arras repulsed the attack of one of the Mahratta confederacies, but he lost a considerable number of men and officers, and found his movements impeded by a mutiny in Ragoba's camp. That chief, however, got together some money, paid his troops, and bought over many of his enemies, and in the month of July the road to Poonah, the Mahratta capital, seemed open to him and his English allies.

All this was duly reported to Calcutta, where the first Bombay advices telling of the alliance with Ragoba arrived in March, 1775. The Supreme Council, moved by Francis, promptly interfered. They ordered the Bombay Presidency instantly to recall their troops, and, in a moment of imbecility, sent a Colonel Upton to Poonah. They censured all the negotiations and operations of the Presidency,

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determining, at the same time, that Salsette and the other territories which had been acquired by them were to be kept for the Company. Upton's instructions were to treat with such of the Mahratta chiefs as the Supreme Council believed the stronger, but he was likewise provided with a letter to Ragoba in case he and his party prevailed. Both parties naturally assumed that the Company sought peace at any price, and took such a haughty tone that the same Calcutta Council, which had recently declaimed against war, soon threatened to bring into the field the whole of the Company's troops in India.

The Mahrattas were eventually induced to consent to a treaty which reduced Ragoba to seek an asylum at Surat, and although giving the Company possession of Salsette and the petty islands adjacent, divested it of Bassein and the conquests the Bombay Presidency had just made in Guzerat.

On the other hand, Leadenhall Street upheld the Presidency against the Supreme Council. On learning from Bombay of the treaty then pending it had expressed its approval. "We approve," it wrote, "under every circumstance, of the keeping of all the territories and possessions ceded to the Company by the treaty concluded with Ragoba, and direct that you forthwith adopt such measures as may be necessary for their preservation and defence." This was amply sufficient authority for Hornby and his fellow-members of the Bombay Council.

While rumours of the plans and coalitions of other hosts of Mahrattas for conquest and plunder were reaching Calcutta, the feud amongst the mem-

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bers of the Supreme Council had attained a height which threatened to impede and perhaps ruin the Company's government in Bengal. The new-comers, Francis, Clavering and Monson appeared bent on the ruin of Hastings. "They calumniated him, they raked up information against him out of the dirt of Calcutta, and they encouraged the greatest villains of the province to stand forward as his accusers." He was charged with receiving private bribes. They brought forward the notorious Rajah Nuncomar—"avowed by all parties to be the greatest villain in all India"—to charge the Governor-General with this offence. The Regulating Act had framed a Supreme Court of Justice as well as a Council, and among the judges who had arrived with the members of this new Council, Sir Elijah Impey, the senior in rank, was an old school-fellow of Hastings at Westminster. But Nuncomar came within the scope of English law, which the Regulating Act had now established in the country; he was tried by a respectable jury, who found him guilty of an old forgery, and by English law he was condemned to be hanged. The trio who had incited him exerted little attempt to save him; on the contrary, they kept back a petition which the Rajah had addressed to the Supreme Court. As the law then stood, Nuncomar, the accuser of Hastings, was justly executed.[1]

But English law was a terrible mistake at this time. Chief Justice Impey and his associates had

[1] Macfarlane's *British India*.

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gone out pledged "to promote by every means in their power the honour and interests of the Company". But while perhaps animated by the best intentions, the nature of the powers assigned to them was too indefinite, or they were too careless, and the result was the erection of two independent and rival powers in India, the Supreme Council and the Supreme Court. The latter insisted on the strict imposition of English law; all fiscal relations became affected and business was plunged into disorder, and the payment of revenue became irregular in consequence. The King's judges went further; from fiscal and civil interference they proceeded to uproot the system by which criminal justice was administered. The Company, although exercising fully the authority of Dewan, had been very particular about appearances. Penal justice was still administered in the name of the Nawab. The newly-arrived justices chose to ridicule this useful fiction. The Nawab was openly laughed at. "With regard to this phantom," said one judge, "this man of straw, Maborusk ud Daulah, it is an insult on the understanding of the Court to have made the question of his sovereignty."

The encroachments into the Company's rights and prerogatives continued. The judges assumed that they "were placed in their present situation for the express purpose of shielding the natives from the tyranny of the Company's servants," and "received with a greedy ear every complaint which was lodged". Disgraceful acts of conflict, almost constituting anarchy, took place. The Company protested against the usurpation of its government in India by the

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King's judges. It complained that the Supreme Court had assumed a jurisdiction over persons to whom the legislature never designed it to extend. It asserted that the Zemindars in the provinces were not only dragged to Calcutta without any plea of right on the part of the court, but that they suffered "every distress and oppression with which the attorneys of the court could contrive to distress and intimidate them". They represented that the Supreme Court interfered in a very mischievous manner "with the ordering, management and government of the territorial revenues," including the powers which that ordering and government required; and that the legal courts, from the highest to the lowest, were paralysed from an apprehension that their powers might be disputed and their decrees annulled.

On the heels of the disgraceful and tragic episode of Nuncomar (of which the last was not to be heard in England for many years to come), the warring Council turned its attention to the leasing system, which was found to have failed. Hastings proposed that each member should draw up a plan and send it home to the Company for its approval. His own advised the letting the lands on leases of one or two lives, giving merely a preference to the Zemindars; Francis boldly declared the Zemindars the true proprietors of the soil, and that as recognised freeholders an adjustment ought to be made with them. The Company duly condemned both projects, and ordered that settlements should be made only from year to year on the basis of an average of the collection realised for the three years preceding.

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By this time Hastings' patience had been tried to the utmost, and he entrusted to a friend a confidential letter, handing in his resignation to the Company. This, after some hesitation, was accepted, and despatches were forwarded, naming Wheeler as the new Governor, and directing General Clavering, as senior member, to act until Wheeler's arrival. But, on the 25th of September, 1776, the majority in Council had been reduced to an equality by the death of Colonel Monson. There thus remained only two on either side, but the casting vote of the Governor-General gave him the superiority. Hastings, in consequence, refused to resign, declaring that his friend had exceeded his powers in handing in the letter of resignation at that time. An extraordinary scene followed upon Wheeler's arrival; but the death of Clavering, which soon happened, left Hastings in full power.

Hastings and the Company naturally did not always agree in the course of his subsequent rule, but to this disagreement it is probable his enemies chiefly contributed. For the future of British India it was fortunate that Hastings was now predominant. The Mahratta chiefs who had been parties to the treaty with Colonel Upton were weary of their bargain. When war, as we shall see, again broke out with France, a French ship had put into one of the Mahratta ports, and a French agent was living at Poonah and exercising great influence in that capital. The Presidency of Bombay wrote alarming letters to Calcutta, recommending a new alliance with Ragoba in order to anticipate the designs of the

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French and the Mahratta chiefs. Hastings had long been convinced that the greatest danger to India would proceed from a union of the French with the Mahrattas, and at once decided on an appeal to arms in the cause of the abandoned Ragoba. An army should be sent from Calcutta to Bombay. Francis and Wheeler protested; but protested in vain. Ten lakhs of rupees were forwarded to Bombay by bills, and on the 23rd February orders were issued for assembling the forces at Culpee. If the army went by sea they would have to go round nearly the whole of the immense peninsula of India, and it was not the proper season for such a voyage. Nor were there transports to carry the troops or ships of war to give them convoy. "Let the army march by land," said Hastings. This bold idea had not yet presented itself to the mind of any Anglo-Indian soldier or statesman. "Francis and Wheeler, and many others, said the Governor-General was mad. But Hastings had studied the capabilities of the native troops, and had high reliance on their steadiness and powers of endurance; and he had long wished for an opportunity to show the might of the Company to some of the princes and potentates of the interior, who, from the remoteness of their situation, had hitherto remained strangers to it." The force consisted of six battalions of sepoys, one company of artillery, with a corps of cavalry, under command of Colonel Leslie. The Bombay force, with which a juncture was to be effected, comprised 4,500 men under Colonel Egerton, accompanied by two civilian col-

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leagues. The result was a succession of delays and disasters. Leslie died and was replaced by Goddard. Egerton's force was followed by the Mahrattas, who cut to pieces nearly 400 men, and carried off the greater part of their baggage and provisions. The two commissioners fell into a state of helplessness and despair, and even Colonel Egerton declared it to be impossible to carry back the army to Bombay. A deputation was sent to the enemy to know upon what terms they would condescend to permit the quiet march of the English back to the coast. The Mahratta chiefs demanded that Ragoba should be delivered up to them. With this demand Colonel Egerton and the commissioners complied, excusing the breach of honour and hospitality by alleging that Ragoba had opened up a correspondence with the enemy. When the Mahrattas had got Ragoba into their hands, they asked another price for permitting the retreat, and this was nothing less than a new treaty, by which the English should agree to give up all the acquisitions they had made in that part of India since the year 1756, and send orders to Colonel Goddard to return peaceably to Bengal. Egerton and the commissioners did as they were commanded, and signed a treaty to this effect. On these humiliating terms was the Company's army permitted to retire to Bombay. Goddard, a soldier of different metal, disregarded both threats and treaty, and by a forced march reached Surat in good order. His achievement naturally brought him the command of all the Company's forces, and the Supreme Council having decided to ignore Eger-

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ton's convention, Goddard again took the field on the 2nd January, 1780. After a brief campaign he reduced the fortress of Dubhoy, carried by storm the important city of Ahmedabad, the ancient capital of Guzerat, and surprised and put to flight a Mahratta army 40,000 strong under the two great chiefs, Scindia and Holkar.

This victory made the Company undisputed masters of the surrounding territory and the sea-coast, About the same time the veteran, Sir Eyre Coote. who had arrived from England to succeed General Clavering, readily gave his support to Hastings' scheme of repelling the Mahrattas from the territories of the Rajah of Gohud. In the course of a brilliant campaign Popham, who was given the command, took by escalade the fortress of Gwalior, one of the very strongest in all India, built upon a lofty and almost perpendicular rock, and at that time defended by a numerous garrison. Upon the fall of Gwalior, the Mahrattas fled from all that part of the country.

But, although the Mahrattas were thus for a time reduced to keep the peace, it was far otherwise with Haider Ali and his Mysoreans, who now threatened to overthrow the whole of the Company's power on the Coromandel Coast.

Sir Thomas Rumbold had reached Madras in February, 1778. We have seen that in Bengal, in 1769, the Company had appointed supervisors to travel through the country and ascertain by close observation and inquiry the precise extent and sources of the revenue, the manner in which it was collected and the state of the administration of justice. In

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1777 the Court of Directors, disappointed in their pecuniary expectations from the new territorial possessions, resolved to carry out a similar plan from Madras. A Committee of Circuit was appointed to investigate the administration of the Northern Circars, with special reference to the condition and treatment of the Zemindars, what was the military force of each of these petty princes, his military and household expenses and his means of defraying them. The Company stated it was its intention to let the lands, when their leases had expired, for a term of years, the same as in Bengal. It was not its intention, however, to deprive the hereditary Zemindars of this income, but to allow them to choose between taking the lands, under an equitable valuation, or retiring upon a pension. At the same time the Court designed to take the military power into its own hands, and to prevent the Zemindars from maintaining those bodies of troops which would enable them to endanger the State.

This Committee of Circuit had been appointed and had made some progress in their inquiry when Sir Thomas Rumbold arrived at Madras. The recent troubles in the Council had occasioned a suspension of members, and the new Governor gave it as his opinion that the travelling Committee was too costly, that its members were needed in the Council at Madras. Everything they wished to accomplish might be done as effectually, and much time saved, by sending for the Zemindars to repair to the seat of government and there interrogating them. The Committee was in consequence sus-

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pended and the thirty-one Zemindars summoned to Madras. Against this step the Provincial Councils appealed in vain. They urged that the Zemindars were really poor men, "hardly able to support their families with any appearance of dignity; that many of them were altogether unable to defray the expenses of a distant journey, and of a residence for any considerable time at the seat of government; that the greater part of them were in debt, and in arrears to the Company; that they must borrow money, to enable them to undertake the journey, and still further incapacitate themselves for fulfilling their engagements; that their absence would greatly augment the confusions of the country, obstructing both the collection of the revenue and the preparation of the investment; and that some of them laboured under the weight of so many years, and so many bodily infirmities as to render the journey wholly impracticable".

Nevertheless, Rumbold and his Council were obdurate, and eighteen Zemindars duly appeared at Madras to wait upon the Governor to have their holdings appraised and the amount of their tribute to the Company fixed. A great deal of contumely has been heaped upon Sir Thomas Rumbold for his alleged ill-treatment and robbery of the Zemindars, instigated largely by those members of the Provincial Councils who thought themselves being defrauded of their share of the plunder. As Hayman Wilson points out: "The exactions at the Presidency were probably more moderate than those of the Province. The settlements made with them

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were not unreasonable or injudicious." Especially was much noise in England made by the episode of Vizeram Raz, the Rajah of Vizanagaram. He was the most important Zemindar in the Northern Circars, his territory was equal to a considerable kingdom, and his "power had hitherto," according to Mill, "held the Company in awe". This Rajah had a brother, Sitaram Raz, and a cousin, Jagannath Raz, who were both competitors for the control of the principality and the handling of the revenue. The former had succeeded in ousting the latter from office, and in spite of the Rajah's complaints, obtaining for himself from the Madras Presidency the appointment of Dewani or financial administrator. "We are convinced," observed Rumbold to Vizeram Raz, "that it is a measure which your own welfare and the interest of the Company render indispensably necessary. But should you continue obstinately to withstand the pressing instances that have repeatedly been made to you by the Board, conjunctively as well as separately, we shall be under the necessity of taking such resolutions as will in all probability be extremely painful to you, but which, being once passed, can never be recalled." To this Vizeram Raz replied: "I shall consider myself henceforward as divested of all power and consequence whatever, seeing that the Board urge me to do that which is contrary to my fixed determination, and that the result of it is to be the losing of my country."

Yet it was considered necessary by the President to have a man of ability to keep order in the

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country and to ensure the revenues. In a letter from the Court of Directors to the Presidency of Madras, dated 10th January, 1781, they say: "Our surprise and concern were great on observing the very injurious treatment which the ancient Rajah of Vizianagaram received at the Presidency; when, deaf to his representations and interests, you, in the most arbitrary and unwarrantable manner, appointed his ambitious and intriguing brother, Sitaram Raz, Dewan of the Circar, and thereby put him in possession of the revenues of his elder brother, who had just informed him that he sought his ruin; for however necessary it might be to adopt measures for securing payment of the Company's tribute, no circumstances, except actual and avowed resistance of the Company's authority, could warrant such treatment of the Rajah".[1]

As a matter of fact, and on the testimony of the most trustworthy witnesses, no friends to Rumbold, the arrangement was a most excellent one; it worked well in practice; the two brothers lived in harmony; the revenues were regularly paid. But the Company was convinced that Rumbold and the Council

[1] It was declared in a resolution, moved in the House of Commons by Mr. Dundas, afterwards Lord Melville, "That the Governor and majority of the Council of Fort St. George did, by menaces and harsh treatment, compel Vizeram Raz, the Rajah of Vizianagarum, to employ Sitaram Raz, as the Dewan or manager of his Zemindary, in the room of Jaggernaut, a man of probity and good character; that the compulsive menaces made use of towards the Rajah, and the gross ill-treatment which he received at the Presidency, were humiliating, unjust and cruel in themselves, and highly derogatory to the interests of the East India Company, and to the honour of the British nation".

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had been guilty of corruption, that there had been double-dealing between them and Sitaram, to the Company's disadvantage. "The report of the Committee of Circuit," it wrote in the same letter, "and the positive evidence of Sitaram Raz, warrants us in asserting that more than double the amount of the tribute for which you have agreed, might and ought to have been obtained for the Company." Charges soon reached them of vast sums of money changing hands, of which no official account was rendered to Leadenhall Street. There also appeared one significant fact, tending to Rumbold's condemnation. "According to one of the checks devised by the Company upon the corruption of their servants, if Sir Thomas Rumbold possessed in India any money on loan, or merchandise on hand, at the time of entering upon his office, he was by his covenant bound, before he proceeded to recover his money, or dispose of the goods, to deliver to the Board a particular account of such property upon oath: that upon an accurate examination of the records of the Council during the whole of Sir Thomas Rumbold's administration no proceedings to that effect could be found: that Sir Thomas Rumbold, nevertheless, had remitted to Europe, between the 8th of February, the day of his arrival at Madras, and the beginning of August in the same year, the sum of £45,000, and during the two subsequent years a further sum of £119,000, the whole amounting to £164,000, although the annual amount of his salary and emoluments did not exceed £20,000."

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But this by no means made out a clear case of corruption against Sir Thomas Rumbold, for he rendered evidence, certainly plausible, if not convincing, that he had sufficient property in India at the time of his return in 1775 to account for the remittances he had since made. This property was proved to amount in 1772 to £111,000, bearing interest at from 8 to 10 per cent. No addition to Rumbold's fortune had been made in England since 1769, so the inference was that no remittances had been made. There is, it is true, a discrepancy to be accounted for, but the evidence tends to show that if Sir Thomas Rumbold had been corrupt, he had been corrupt in 1772 at Calcutta, and not in 1778 at Madras.[1]

The Company in 1778 ordered an entire removal of its servants and effects from Bussora, and Bushire became the head station for the Company's Persian trade. Yet in view of an impending war with France it was thought prudent to retain a single servant at the former place as resident. Previously, an effort had been made to revive the factory at Gombroon as a residency under orders from Bombay, "its position being better both for procuring supplies of raw silk and of Caramania wool than Bushire". But Leadenhall Street was heartily sick of Gombroon, and countermanded the order, so that during this

[1] Sir Thomas died on 11th November, 1791, at the not advanced age of fifty-five, broken by long service in India and still more by the cruel usage he had experienced at home. See *The Real Facts Concerning Sir Thomas Rumbold*, a pamphlet in which the absurd legends concerning his origin and career are effectually disposed of.

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period the spectacle we see in this part of the world is that of harassed factors travelling up and down the Persian Gulf, setting up and pulling down factories, bargaining and quarrelling with Khans and governors, fighting Arabs and the plague, and expecting daily new dangers in the shape of French, Turk or Persian. The latter had conquered Bussora, but in 1779 a revolution occurred which resulted in the place again falling into the hands of the Turks. Bushire was at the same time invaded by banditti who plundered the town and forced the traders to pay some 40,000 rupees. It was soon after this that the Sultan prohibited all Christian vessels from trading to Suez, an order which had the effect of increasing the importance of Bussora, as the only port from whence goods could be sent from the East to Aleppo and Constantinople. After this both Bussora and Bushire were presided over by residents independent of one another, but both subordinate to the Government of Bombay.

In July, 1778, news reached India that war had again broken out between France and England. The French factories at Chandernagore, Masulipatam and Carical promptly surrendered on demand, and the fortifications at Pondicherry, after a short siege, were blown up and the garrison made prisoners. When the Company's force proceeded to attack Mahé, Haider Ali protested, declaring all foreigners on the Malabar coast were under his protection. Moreover, there was another body of Frenchmen who, although they had for years threatened trouble, the Madras Council had been unable to dislodge.

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In order to explain their presence there, it is needful to go back a few years.

When the Nizam had granted the Company the Northern Circars, he had stipulated that one of them, Guntoor, should be granted in jaghire to his brother, Bazalut Jung, for life, or upon good behaviour. With death or misconduct, the territory's revenue would revert to the Company. In the autumn of 1774 President Wynch was informed by the Company's chief agent at Masulipatam that a body of French troops under the command of Lally were retained in the service of this same Bazalut Jung. Surprised and alarmed, Wynch instantly wrote to the Supreme Council of Bengal, who empowered him and his Council to take measures to have the French expelled from Bazalut Jung's service, on the threat of withdrawing from him the revenues of Guntoor. The Madras Council thereupon opened up a correspondence with the Nizam, which was protracted to the opening of the year 1776. On the arrival of Rumbold, the French were still known to be in Bazalut Jung's territory, but nothing decisive was done until July, 1778, when, recognising a source of possible danger, it was resolved to abandon negotiations with the Nizam, and commence others with the offending prince himself. Apprehensive of the designs of Haider Ali, Bazalut Jung was advised to come to terms with the English. He agreed, in January, 1779, to cede Guntoor for a certain annual payment, to dismiss the obnoxious Frenchmen, and to accept an offer of Company's troops for the defence of his country.

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But when the Nizam was apprised of this transaction by an agent sent to Hyderabad, together with the Madras Council's decision not to pay further any tribute or peishcush for its holding of the five Northern Circars, he angrily declared that the treaty of 1768 had been violated. Although he had been hitherto neutral in the contest with the Mahrattas, in spite of his predilections for the latter, he now declared that he should make ready for war.

In due course the Calcutta Council was apprised of these proceedings. It unhesitatingly condemned the action of Madras. A letter was written to the Nizam assuring him of the pacific intentions of the Company, in spite of what Rumbold and his Council had said and done. At the same time they wrote to Madras, where their interference was received with the utmost resentment. Rumbold and his colleagues utterly denied the right of the Supreme Council to interpose their authority during intermediate negotiations between a Presidency and a native power; and also took occasion to arraign the whole policy and conduct of the Calcutta Council in the business of the Mahratta war. And truly the reproaches of Calcutta at this moment came ill from the lips and pens of men who had so little consideration for the Moguls and Nawabs who figured in their own transactions.

For years Haider Ali had been concerting schemes with the French at Pondicherry, improving and increasing his army and plundering his neighbours. In the summer of 1780 he quitted Seringapatam and poured through the Ghauts with 15,000 drilled in-

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fantry, 40,000 peons, 28,000 cavalry, 2,000 artillery and rocket-men, and 400 French and other European adventurers. There was a complete staff of French officers to guide the operations, and the artillery exceeded 100 pieces of all calibres.

All Haider's preparations, as well as his hostile intentions, ought to have been perfectly well known to Rumbold and his Council at Madras. Yet so late as February, 1780, the Court of Directors received from Rumbold a letter declaring that there was "every prospect of tranquillity,"[1] and acting as if Madras and the Company's interests were free from the possibility of attack in this quarter. On the 6th April Rumbold, having resigned office on account of ill-health, set sail for England.

The presidency of Madras had an empty exchequer, a divided Council, an army of 6,000 men, mostly sepoys; and these troops, wholly unprepared, were scattered over a wide tract of country. As for the forces of Mohammed Ali, there was no reliance to be put in them; they ran away, or they deserted to Haider so soon as his army defiled through the Ghauts. The Mysoreans captured and plundered Porto Novo on the coast and Conjeveram, close to Trichinopoly, and kindled fires that were seen by night from the top of Mount St. Thomas, close to Madras. Rumbold's successor sent to Calcutta to implore help and then proceeded to issue the most

[1] Yet it must also be said that Hastings had likewise written the previous month, "I am convinced from Hyder's conduct and disposition that he will never molest us while we preserve a good understanding with him".

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contradictory orders to the officers commanding the Company's scattered army, whose commanders were without concert or good understanding. Colonel Baillie allowed himself to be surrounded near Conjeveram by Haider's main body. His weak battalions defended themselves most gallantly for many hours until Baillie went forward, waving his white handkerchief to ask for quarter, and ordered his men to lay down their arms. Then ensued a cowardly butchery of one-half of the English who had survived the carnage of the battle, and captivity to the rest.

All this time Sir Hector Monro, with another division of the Madras army, was within a short march of Haider's rear. Had he advanced the Mahrattas must have been defeated ; but it was pleaded that his rice-bags were empty, and his troops half starved. The money which Hastings was collecting in Bengal had not yet arrived. After the catastrophe to Baillie, Sir Hector abandoned his tents and baggage, threw his heavier guns into a tank, and fled to Madras. A great part of the country was again laid waste, and within a few weeks Wandewash, Chingliput, Vellore and Arcot were either captured or closely besieged.

All depended now on Hastings, if the Company was not to lose the Carnatic and the Northern Circars. He despatched fifteen lakhs of rupees to Madras as a present supply for the army, with a promise that more should be forthcoming. "His missives and agents were sent flying through the country to procure it—at Murshedabad, at Patna, at Benares, at Lucknow, in every place where the

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Governor-General had a claim, or could invent one —for all considerations gave way in his mind to the paramount duty of preserving the British Empire in the East." Rumbold's successor, Whitehill, was recalled, and Sir Eyre Coote invited to take the command. A French fleet arrived to aid Haider Ali, but, as there was no convenient landing place, and dreading a superior British squadron, departed for Mauritius early in 1781. On the 1st July Coote gave the Mysorean a sound beating, which was repeated twice during the summer. Haider was routed with terrible loss, and the Company's fortress of Vellore, one of the keys of the Carnatic, was relieved and saved. The rains, the monsoon floods, and the rising of the rivers, put an end to the campaign; but before Coote retired into cantonments, Chittore, Palipet, and other places were regained.

But the Company was already deeply dissatisfied with the Madras Council for reasons already detailed. On receiving the despatches from Calcutta, the Company, on the 10th January, 1781, took stern measures. In a letter of the Court of Directors of that date, after passing the severest censure upon the abolition of the Committee of Circuit and the proceedings with the Zemindars of the four Northern Circars, on the treaty with the Bazalut Jung, the transactions with the Nizam and the lease of Guntoor to the Nawab, they dismissed from their service Sir Thomas Rumbold,[1] President, John Hill and Peter Perring, Esquires, members of their Council at Fort St. George;

[1] Rumbold had returned to England some months.

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deprived of their seat in Council Mr. Smith and Mr. Johnson, and expressed their strongest dissatisfaction with the commander of the Company's forces, Sir Hector Munro.

In June, Lord Macartney arrived at Madras as Governor of that Presidency, bringing intelligence of the declaration of war between England and Holland. He proceeded to gain possession of all the Dutch factories or settlements on that coast. Sadras and Pulicat surrendered without fighting. The prize at Negapatam in arms, warlike stores and merchandise was considerable, and afforded opportune aid to the Company's fleet and army. There was nothing further here to take from the Dutch. But in Ceylon, which the Dutch had most jealously guarded for more than a hundred years, they held the town and port of Trincomalee. On the 11th of the same month the English were masters of the town and port—one of the most important harbours in all India.

The Company's hereditary trading rivals, the Dutch, were thus expelled from every station "within the limits of the Indian seas". But the Carnatic was exhausted. The Nàwab, called upon for funds to carry on the war, made profuse excuses but produced no rupees. Macartney had no alternative but to propose that the Nawab should imitate his brother of Bengal and make over to the Company all authority over his revenues and become a pensioner on its bounty. Mohammed Ali coolly replied that he had already arranged for such a contingency with Macartney's superiors. The Madras Governor

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pocketed his humiliation and at once nominated collectors to superintend the Dewani, and after deducting one-sixth of the revenue for the Nawab's share, transferred the balance to the treasury at Madras.

While these financial negotiations were in progress, the French Government had sent out the valiant Bussy with numerous troops and a squadron under Admiral Suffren to India. Near the Cape de Verde Islands the French encountered the squadron of Commodore Johnstone, who, after an indecisive battle, followed him as far as the Cape of Good Hope, but preferred capturing five rich Dutch East Indiamen in Saldanha Bay. Johnstone returned home with his prizes; but a part of his squadron, with transports having on board British troops, followed in the track of Admiral Suffren for India.

Severe fighting took place on the Malabar side of Haider Ali's dominions early in 1781. On the opposite coast of the Peninsula the British admiral, Hughes, leaving a small garrison at the Company's new possession, Trincomalee, returned to Madras, where he soon sighted the French fleet. But although a naval battle took place, Bussy was able to land his troops, artillery and stores, and join Tippoo, the son of Haider Ali. From Cuddalore they marched upon Wandewash. Sir Eyre Coote, though now worn out by age, and suffering from a recent apoplectic attack, advanced rapidly to the relief of that place, and on the 24th of April encamped on the very spot where he had defeated Lally and Bussy twenty-two years before. He had

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been reinforced by some of the fresh British troops which had been landed in February. Instead of accepting the battle, Bussy and Tippoo beat a retreat. It seemed as if the issue on land would have to be decided at sea. On the 3rd of July another drawn battle was fought between the French and English, after which the former went to anchor at Cuddalore and the English at Madras. Afterwards the French admiral made again for Ceylon, and, being joined on that coast by two more ships of the line fresh from Europe, and with land troops on board, captured Trincomalee before Hughes could return. Another battle far more desperate than any of the others followed, in which the French suffered severely, but retired to Trincomalee.

Coote, about to attack the French at Cuddalore, pressed Hughes to remain to co-operate at Madras, but the latter declined, and narrowly escaped the monsoon in October. According to one writer:—

"In the course of that night the well-known roar of the coming monsoon was heard at Madras, and surf began to shake the coast; and by the next morning the strand was covered with wrecks or fragments of merchant ships that had stayed behind when Hughes took his departure. With these ships had perished all the rice and other provisions of Coote's army. There had been scarcity before, but now there was famine. Thousands of the poor natives of the Carnatic, who had fled from Haider to seek refuge in Madras, were the first to feel the horrors; calling upon the English for help, which the

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English had not the means of giving, they died by hundreds." It was stated that 10,000 died before the Company's Governor could obtain a supply of rice from Bengal, while 500,000 perished throughout the Carnatic.

Coote, already dying, resigned his post to General Stuart and departed for Calcutta. Elsewhere in India the Company's forces under General Goddard had been continuing a weary campaign against the Mahrattas. The Court of Directors, as well as Hastings, were heartily sick of this war, and instructed its servants to do their utmost to bring it to a conclusion. A treaty was finally brought about at Salbye, 17th May, 1782, by the Company's agent, David Anderson, and the agent of the Peishwa. The Company was to have all it had conquered since 1775; Ragoba Rao was to enjoy a pension of 25,000 rupees; and free trade was to be allowed. By the time the Company received this treaty its powers as a free agent had practically passed to the British Government.

In reviewing this huge and disastrous conflict whose sole end was to crush the Company's power and restore the native ascendency, only that it should inevitably pass in turn to the French, it is impossible not to be struck by the fact that while general incompetency distinguished so many of the British leaders, the trader and civilian comes out of the ordeal far better than the King's officer. In every part of India is Hastings' eagle eye and directing finger seen. He is training and despatching sepoys here, raising rupees by extraordinary

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means there; bargaining at Benares, from which place he is at one moment seen flying for his life; afterwards threatening and cajoling at Lucknow and sending his agents and couriers to every part of India bearing messages of encouragement to the Company's friends, intimidation to its dependents and defiance to its enemies.

Sometimes his interference with the local authorities of the Company was as bitterly resented as the "King's servants" resented the directions of the Company's governors. But Hastings seems to have felt that the salvation of India depended upon his individual exertions and chiefly upon his ability to raise money at a time when the embarrassed Company at home had none to send and the Presidencies at Madras and Bombay were bankrupt. That he resorted to strange and doubtful methods seems undeniable, but as one of his admirers has said: "For these great ends, such were the intenseness of purpose and the enthusiasm of the man, Hastings would have coined his own body and soul into rupees, had such a process been practicable, at the moment of crisis, when the Mahrattas, Haider Ali and the French had their talons on the Carnatic".

One of the acts of Hastings which is familiar to all readers of Anglo-Indian history was his conduct towards Cheyte Singh, the Rajah of Benares, from whom he first demanded a huge tribute, then arrested in his own capital and finally put to flight. A successor was appointed; the tribute to the Company was raised to forty lakhs of rupees and the Governor-General took the entire jurisdiction and management

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of the city and country into his own hands. The last vestige of sovereignty, the mint, was taken from this boy Rajah and put under the control of the Company's resident at Benares. By this revolution an addition of about £200,000 a year was made ultimately to the revenues of the Company. Another incident was his plunder of hidden treasure of the two Begums, which two ladies had provoked an insurrection in Oudh and encouraged Cheyte Singh's followers after the massacre of the Company's sepoys and officers in Benares. This extortion, only justified by the Company's severe straits, evoked at the celebrated trial of Warren Hastings in Westminster Hall the scorn and indignation of the Parliamentary orators. It is enough to say that the stories of the extortion and of the torture of the two eunuchs were grossly exaggerated. In 1803, more than twenty years after the imprisonments and alleged tortures, Lord Valentia found at Lucknow, "well, fat and enormously rich," Alivas Ali Khan, on whose sufferings Burke had been so indignant and so pathetic. After all the cruel plunderings he was said to have undergone, this eunuch was reputed to be worth half a million sterling. He was upwards of eighty years of age, six feet high, and stout in proportion; he had been an active and intriguing courtier, and a rigorous tax-collector; he was now almost in his dotage and the Nawab was eagerly looking for his inheritance. The younger of the two Begums, whose sad fate had caused so many tears to be shed in England, was also alive, hearty, and *very rich!*

The death of Haider Ali, "the greatest and most

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formidable enemy to whom the English have ever been opposed in the East," occurred on 7th December, 1782. Tippoo hastened to ascend the throne of Mysore, and in his absence Governor Macartney, for the Company, urged General Stuart to attack the enemy's troops temporarily deprived of their leader, The General's answer betrayed the weakness of the whole present system of British management in India. He took the same haughty tone Coote had taken; he "questioned the right of any Company's servant to dictate how it behoved the leader of the King's troops to act". Eventually, but not until 5th February, he took the field. The immense Mysorean army, now again headed by Tippoo, retired before the English, who soon afterwards, in the midst of fighting on land and sea, received news of peace between France and England.

Bussy was ready to agree to a cessation of hostilities, and wished Tippoo to join him in arranging for peace. But that chief was in no hurry, and continued to besiege Mangalore, which, through the wretched misunderstandings and incapacity of the authorities without, was compelled to capitulate. This brought the war to an end, and on 11th March, 1784, a treaty of peace was signed, to the universal relief.

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CHAPTER X.

Parliament Regulates the Company.

WHILE, alas for the Company's exchequer! a general war in India was raging, and its servants were bending every energy to quench it, at home the Company was beginning to be concerned about its expiring charter, which, as we have seen, was to terminate after three years' notice from 25th of March, 1780.

In 1779 it managed to repay the public loan of £1,400,000, and reduce its home debt to £1,500,000 sterling. On these conditions its dividends were permitted by Act of Parliament to advance to 8 per cent. for one year, a permission repeated in 1780.

Many examples had been furnished from time to time of the absolute impracticability of a system which failed to ensure what Parliament desired—a thorough co-operation between King and Company in India. One such will suffice:—

As soon as the truce was concluded with Bussy, the Governor and Council of Madras unanimously resolved that General Stuart should be deprived of the command. Stuart insisted that the Company could dispose only of the command of its sepoys, and that he, as an officer in His Majesty's service, had a right to retain the command of the King's troops. He spoke loudly of using force

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against force. Decisive steps were necessary, and Lord Macartney took them. He despatched his private secretary and the town adjutant, with a party of sepoys, to capture the general in his villa near Madras. Stuart was carried to the fort, and in a day or two shipped off for England.

But this conflict of authority between civil and military was hardly less than the conflict between the civil and judicial authority which had, as we have seen, early appeared in Bengal.

In 1780 the Company came forward with two petitions to Parliament, one from the principal British inhabitants in Bengal, and the other from the Governor-General and members of the Supreme Council. These were immediately referred to a Select Committee, before which the counter-statements of the Chief Justice were likewise laid. Meanwhile, in Calcutta, Hastings had discovered an expedient for putting an end to the worst features of the system, by dividing the business of the provincial courts and establishing a separate appeal court, to which Impey was appointed, with a large salary. This arrangement was finally adopted, and the Chief Justice was no sooner put at the head of the Company's civil judicature than the feud was, as if by magic, healed between the rival authorities. But, however efficacious the plan was, it pleased neither Company nor Parliament. It was roundly denounced as illegal; Impey was recalled; the useful innovations were banned, and an Act came to be passed in 1781 to regulate the Supreme Court, and by restricting its jurisdiction to Calcutta, to deprive

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it of all excuse for interference in the general administration of the country.

Both parties, Parliament and Company, were now face to face for a final struggle. Lord North, asserting the right of the Crown to all territory acquired by British subjects, wished to claim the whole of the Company's conquests. The Company, not unprofitably witnessing the decline of the royal authority in another part of the world, boldly affirmed its title to all that its own arms and treasure had won. A great contention of its opponents was not only that it had been guilty of great crimes, but that it had failed commercially. The cotton products of the Manchester looms were driving Indian calicoes from the market. Yet the Company was still the first mercantile corporation in the world. Its assets were treble the value of its liabilities. It had not merely overborne all rival companies in Great Britain, but in Europe. Its dividend amounted to £250,000 a year; it brought the nation a revenue of £1,300,000; how, then, could it have been said to have failed?

As the negotiations were set on foot the Company's enemies in the nation arose in a phalanx. Its chief servant, Warren Hastings, was accused of high crimes and misdemeanours. The public mind was excited: America was all but lost to the Empire; India would follow America. The Ministry of Lord North, which was responsible for the one disaster, seemed too feeble to grapple with the problem presented of what to do with the Company and its unwieldy burden in the East. Yet it behoved the

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Ministers to make an attempt now that the question of the Company's charter was before Parliament.

The Ministry did not "intend," Lord North said,[1] "to state any specific proposition relative to the future management of the Company's affairs. Still he held it to be his duty to state to the House some points that would be very proper for them to consider before they should proceed to vote. First, the propriety of making the Company account with the public for three-fourths of all the net profits above 8 per cent. for dividend; secondly, of granting a renewal of the charter for an exclusive trade for a short rather than a long term; thirdly, of giving a greater degree of power than had been hitherto enjoyed to the Governor of Bengal, that in future among the members of the Council, he might be something more than a *primus inter pares*, equal, with the name of chief; fourthly, of establishing a tribunal in England for jurisdiction in affairs relating to India and punishing those servants of the Company who should be convicted of having abused their power; fifthly, the propriety, as all the despatches received from India by the directors were by agreement shown to His Majesty's Secretary of State, of making all despatches to India be shown to him before they were sent, lest the directors might at some time or other precipitate this kingdom into a war, without necessity, with the princes of that country; sixthly, he said, it would be the business of the House to determine upon what terms, and whether with or without the territorial re-

[1] Speech of 9th April, 1781.—*Parliamentary History.*

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venues, the charter should be renewed; seventhly, whether, if Government should retain the territories, it might not compel the Company to bring home the revenue for Government; and eighthly, whether any and what regulations ought to be made with respect to the Supreme Court of Judicature."

"Of these propositions," it has been said, "the third, the fourth and the fifth are remarkable as the archetype, from which were afterwards copied three of the principal provisions in Mr. Pitt's celebrated East India Bill."[1]

The Company did not petition for a renewal of its charter until the 26th June, 1781. In the meantime the House of Commons had listened to petitions from the Company, from the Governor-General and Council of Bengal and a number of British subjects in that province, against the proceedings of the Supreme Court, and the matter after debate had been referred to a Special Committee, of which Edmund Burke and others of the Opposition were members. When the news of Haider Ali's invasion of the Carnatic arrived, the Minister appointed another and Secret Committee. Both duly presented numerous reports; and we have already seen the partial results of the one so far as the Supreme Courts were concerned. On the Company's petition for a renewal of its charter, a bill was agreed to continuing its privileges for ten years, or until 1st March, 1791, on condition that £400,000 was paid to the Government in consideration of their having received

[1] Mill.

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nothing from the Company since the latter liquidated its loan in 1778;[1] that thereafter the Company pay out of its clear profits a dividend of 8 per cent. on its capital and out of what remained three-fourths was to go to the nation. As to the claims regarding territorial ownership, a decision on that point was again postponed.

Only one other point was insisted upon in this Act, but it was an important one. It virtually took out of the hands of the Company the privileges of initiative and control. Parliament had previously reviewed and readjusted the Company's executive Acts; it now took a hand in their formulation. All despatches sent to India with respect to revenue or civil or military affairs were ordered to be laid before the Ministry, in all matters of war and peace, or treaty, the Company "should be governed by directions which Ministers might prescribe".

It need hardly be added that there turned out to be many loopholes of evasion in practice: but that was the formal understanding in 1781. The Company, at least, could it pull through the present financial troubles, seemed safe for another decade. Readers who have followed this history cannot fail to remark upon the number of such trials and acquittals, of petitions and investigations, ordeals and escapes, to which the Company had already been subject. It had been at the mercy of King, it had been at the mercy of Parliament, it had been

[1] Yet the Company had been most munificent towards the Royal Navy by granting bounties in 1779 to raise 6,000 seamen, and by building three 74-gun ships.

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at the mercy of the mercantile interests of the realm: its privileges were always being questioned: its monopoly was forever being attacked. There was always some party clamouring for its downfall. Formerly they had been jealous of its prosperity: now when it was supposed to be growing indigent it was execrated for its misdeeds. The body of the nation began to look upon it as a disappointed buccaneer, which had fallen upon and plundered innocent people fruitlessly. They charged it with attempting to wreck the British Empire in India. They forgot that that Empire was the slow creation of a body which with its ambitious projects would long ago have perished of neglect had it been left to the tender mercies of either Crown or Parliament or the British people.

Lord North resigned in March 1782, and was succeeded by the Marquis of Rockingham. On the ninth of the following month, the chairman of the Secret Committee, in moving his report, spoke for three hours on "the causes and extent of the national calamities in the East". He charged the Company and its servants with shameful misconduct: the one, in India, for having "plunged the nation into wars for the sake of conquest, condemned and violated the agreement of treaties, and plundered and oppressed the people of India," the other, at home, for having "blamed misconduct only when it was unattended with profit, but exercised a very constant forbearance towards the greatest delinquency as often as it was productive of extemporary gain". Sir Thomas Rumbold was selected as a convenient

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victim: a bill of pains and penalties was drawn up and read twice, but the Ministry was too feeble and the business dropped. The action to procure the recall of Hastings, which had been agreed to by the Court of Directors, shared a similar fate, the Court of Proprietors by an overwhelming vote refusing to agree to Hastings' recall.[1] Sulivan, the Company's chairman, escaped with the formal censure of the House.

On Rockingham's death Lord Shelburne became Prime Minister in July 1782. On the 5th March following, the Company petitioned Parliament, openly confessing the fact that by reason of the late troubles in India it was unable to comply with the terms lately exacted from it by the Crown. It had paid £300,000 of the required £400,000 for the public benefit.

It stated that the advances which the public had made "were made under mistaken ideas of the petitioners' pecuniary abilities"; that the aid necessary up to the 1st of March, 1784, would not be less than £900,000; they prayed either for reimbursement or that they be allowed to increase their bond debt without diminishing their dividend, which would affect their credit; that they be not required to share anything with the public till the increase thus made of their bond debts be again wholly reduced; that

[1] The vote of the Court of Proprietors, in opposition to the recall of Mr. Hastings, was severely reprobated by Mr. Dundas, at the beginning of the next session of Parliament, when he moved that all the proceedings in relation to it should be laid before the House; and pronounced it an act both dangerous in principle and insulting to the authority of Parliament.—Mill.

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the term of their exclusive privileges, a short term being injurious to their credit, should be enlarged; and that the petitioners be relieved from that share of the expense attending the armies of the King's troops and navy which according to the late Act they were bound to afford. Two Acts were passed for the Company's relief: the first allowed more time for the payment of the taxes for which it was in arrear and enabled it to borrow money on its bond to the amount of £500,000; the second Act accommodated it with a loan from the public to the amount of £300,000; both Acts permitting it to continue a dividend of 8 per cent., though after paying necessary expenses its receipts fell short of that large dividend by a sum of £255,813. In this way it endeavoured, while gratifying the proprietors, to keep out of debt.

A month later the King had given up all hopes of keeping America, and the North-Fox coalition Ministry came into power. Dundas, now in opposition, was given leave to bring in a bill (14th April, 1783) giving the Crown power of recall over the Company's chief servants and restoring the Rajah of Tanjore in his possessions. But again nothing was done; Fox had reserved to himself the pleasure of remodelling the Company. In November a new Parliament met; treaties of peace were announced with France, Spain, Holland and America. Pondicherry, Carical, Mahé, the settlements in Bengal and Orissa, and the right of settling in Surat were restored to France. Trincomalee was given back to the Dutch, although Negapatam was retained.

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Close upon the heels of this, in the same month, Fox brought in his famous East India Bill. The cat was out of the bag at last. All power, commercial as well as political, was to be taken from the Company and handed over to two boards, one of seven persons to hold office for a term of years, under whose control the whole of the Indian Government was to be placed; the other, a larger body, called Assistants, were to manage the commercial business. Members of the first were to be appointed by the Ministry; of the second, by the owners of East India stock. The patronage of the Company was thus to be placed in the hands of the Ministers of the Crown—that is, in the hands of any Government that could command Parliamentary majorities; and such vast patronage would have given the means of swelling majorities. Had the bill passed, the Coalition Ministry of that day, unpopular as it was, and objectionable to the King, might have retained power almost indefinitely. The bill avowedly abrogated the Company's charter. "Away with their chartered rights!" cried Burke, "you are not bound to observe them!" But the Company was not wholly without friends, who retorted upon this assertion convincingly.

"Charters, sir," declared one able member, "are not like other laws, repealable at will, at the will of the legislature; they are compacts and cannot justly be cancelled without the consent of both contracting parties." This bill, it was remarked further, was levelled at sacred rights of property, in order that a ministry might aggrandise itself. One

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youthful member, none other than William Pitt, characterised Fox's measure as "the boldest, most unprecedented, most desperate and alarming attempt at the exercise of tyranny, that ever disgraced the annals of this or any other country". "Was," he demanded hotly, "the relief to be administered in Asia to be grounded on violence and injustice in Europe?"

Others denounced the bill as "aiming at a confiscation of the property and a disenfranchisement of the members of the East India Company, seeing that they required the directors to deliver up all lands, tenements, houses, books, records, charters, instruments, vessels, money, securities and property of every description, and all this was to be done without any trial or conviction whatsoever on the charges urged against the Company".[1]

On the other hand, Burke in its support represented the rapacity of the Company for the extension both of power and dominion to be unbounded. He asserted that of the States with whom the Company had come into contact, there was not one which it had not sold, nor was there a single treaty that it had not broken. The Mogul, the descendant of Tamerlane, he described as "a personage as high as human veneration could look at; amiable, pious and accomplished, in whose name money was coined and justice administered, and for whom prayers were offered up throughout the countries we possessed; but he had been *sold!* The

[1] *The Early Chartered Companies*, p. 147.

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Rohillas, the Nawab of Bengal, the Polygars, the Mahrattas, the Pretender to that empire, Ragoba, and the Subah of the Deccan had been *sold!*"

The natives were declared to have been for ages civilised and cultivated by all the arts of polished life whilst we were in the woods; and, if the passions or avarice of their Tartar lords had driven them to acts of rapacity or tyranny, there had been time enough in the short life of man to repair the desolations of war by the arts of magnificence and peace; but under the English government all this order had been reversed. As for Warren Hastings, Burke described him as having been loaded for years with the execrations of the natives and the censures of the directors, and although struck and blasted with resolutions of that House, he still maintained the worst despotic power ever known in India. The conduct of the Company as merchants was ridiculed and declared to be not a whit better or more judicious than their course as statesmen. Such eloquence was not to be withstood. Although the Company was heard at the bar of the House, the bill passed the Commons, and seemed likely to pass through the Lords.

At this moment Earl Temple quietly let fall that he had had a talk with the King, and that His Majesty was not friendly to the bill. The effect acted like magic amongst the peers; the bill was lost by a majority of nineteen. This defeat sealed the fate of the Ministry; indeed George already wanted a change. At midnight, on the 11th December, a royal messenger delivered to Lord North

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and Mr. Fox an order from the King "that they should deliver up the seals of their offices and send them by their under-secretaries, Mr. Fraser and Mr. Nepean, as a personal interview would be disagreeable to him".

Thus a new Ministry entered upon the scene. At its head was young William Pitt, the great-grandson of the President of Madras, then not twenty-four years of age. Some settlement of the India question being imperative, on the 14th of January, 1784, Pitt moved for leave to bring in a bill "For the better Government and Management of the affairs of the East India Company". At its second reading, this bill also was lost. On the 25th March, Pitt, thoroughly supported by the King, dissolved Parliament. The general election greatly favoured the young Minister, who found himself at the head of a substantial majority when Parliament met on the 18th of May.

Naturally, Pitt's success at the hustings had been greatly assisted by the Company, which had poured out the vials of its wrath upon Charles Fox openly and secretly throughout the kingdom. Pitt for this was not ungrateful. The Company still enjoyed a monopoly of the importation of tea. But a huge duty of 50 per cent., added to wholesale smuggling, sadly interfered with its profits. Indeed, in March a writ was issued against the Company for the sum of £180,000 on account of duties to the Government. The officer who levied claimed a fee of 1s. 6d. in the pound—this amounting to £13,000. A conference was formed composed of the Lord

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Mayor, the Sheriffs and a Court of Aldermen, and it was decided the execution was not strictly regular. The execution was therefore withdrawn by consent of the Ministry. The directors at East India House were now notified by Pitt that he intended lowering the duties to 12½ per cent. On the 21st June he moved a resolution to this end in the House, and this was followed by what became known as the Commutation Act. The loss to the revenue was put at no less than £600,000. To offset this loss an additional window tax was imposed. Nor was this all. The Company had applied for leave to borrow £800,000, and for a remission of the duties imposed upon it by the North Ministry. In its pecuniary distress it applied to Pitt, and he passed a bill granting the required relief. On the 19th May, 1784, the new Parliament met. In the King's speech there occurred the following passage :—

"Whilst the affairs of the East India Company form an object of deliberation deeply connected with the general interests of the nation, whilst you feel a just anxiety to provide for the good government of our possessions in that part of the world, you will, I trust, never lose sight of the effect which any measures to be adopted for the purpose may have on our constitution, and on our dearest interests at home."

Two months later, Pitt's India Bill was again brought forward with the certain hope of its passing into law. The Company could at least congratulate itself that its affairs had been made a party question, and that its destinies had been entrusted to Pitt

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rather than to Fox, who would have mutilated the now venerable body beyond recognition. As it was, the change was less of constitution than of character and attributes.

In introducing his bill, Pitt had observed that the rise or downfall of the Company was an event intimately connected with the vigour or decline of the British constitution, although even he admitted that no charter ought to stand in the way of a reform for the general good and safety of its country. From the extreme distance, which enhanced the difficulty of governing India, he suggested that the accession of authority should rather be in that country where its executive power must be lodged than here; that the power to possess it should be active and on the spot, but still so constituted as to secure obedience to the measures dictated from home, and capable at the same time of preventing extortion abroad, and of frustrating all improper views of ambition or despotism; the patronage being separated from the executive or Ministerial influence, and kept free from the hands of any political body of men whatever.

The powers of the King or Parliament, in so far as Indian affairs were concerned, hitherto "had remained a dead letter from other high and important duties" which the English Cabinet had to fulfil at home. Another department of the Government was therefore created under the name of the Board of Commissioners, or, as it afterwards became known, the Board of Control, which, while leaving the Courts of Directors and Proprietors to continue their func-

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tions as before, would exercise purely political, military and revenue "superintendence and control over all the British territorial possessions in India and over the affairs of the Company in England". The members of this Board were to be Privy Councillors, nominated not by the House of Commons, as Fox had arranged for, but by the Crown. Moreover, they were to have no power of appointing to office, nor any patronage, and consequently without motive to deviate from public duty. The President of the Board of Control was essentially a new Secretary of State for the Indian Department.

Henceforward the approbation of the Board was requisite to give effect to measures originating with the Court of Directors. At the same time, the power of the Court was greatly condensed. In order to provide for circumstances where secrecy might be required, there was created a Secret Committee, which was to absorb nearly the whole of the reduced, but still considerable, power that was left to the directors.

Briefly then, and in practice, it may be said that, so far as the Indian Government was concerned, the Court of Directors was reduced to three members, who could transmit secret orders abroad without submitting them to their colleagues. But this is practically what in the seventeenth century Sir Josiah Child had done, and what Laurence Sulivan[1] had done in the eighteenth. The Regulating Bill destroyed the power to interfere in matters of im-

[1] This great leader in the affairs of the Company lived to see the change in operation, and died in 1786.

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portance of the Court of Proprietors, who, owing to the great increase of shareholders, had for a long time swollen the Company into unwieldy proportions. From the few dozen merchant adventurers of Elizabeth's reign they had grown to be above 2,000.

The bill further enacted that every individual who had held any office of trust in India should, on his return home, disclose the amount of the fortune he brought with him,[1] and it provided a new tribunal for the trial and punishment of offences liable to be committed in India, or "for the prosecuting and bringing to speedy and condign punishment British subjects guilty of extortion and other misdemeanours while holding offices in the service of the King or Company in India".

The Board of Control, which virtually meant the President of the Board, were not to interfere in commercial matters, but in all other matters their power was most extensive. The directors were obliged to lay before them all papers relative to the management of their possessions, and to obey all orders which they received from them on points connected with their civil or military government, or the revenues of their territories. The commissioners were obliged to return the copies of papers which they received from the directors, in fourteen days, with their approbation, or to state at large their reasons for disapproving of them; and their de-

[1] This clause, owing to the petitions which poured in against it, soon became a dead letter. It was repealed two years later in the amended bill.

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spatches, so approved or amended, were to be sent to India, unless the commissioners should attend to any representations of the Court of Directors respecting further alterations in them.

Henceforward the Company could send no orders regarding its civil or military government without the sanction of the Board of Control; on the other hand, the latter might (if the directors neglected to send true copies of their intended despatches, upon any subject, within fourteen days) send by themselves orders and instructions relative to the civil or military concerns of the Company, to any of the Presidencies of India; and these instructions the Court of Directors were, in such case, bound to forward. If the Board forwarded any orders to the Court of Directors on points not relating to the civil or military government, or to the revenues of the territorial possessions of the Company, the directors might appeal to the King in Council. In all cases of secrecy, and particularly such as related to war or peace with the native powers of India, the Board had the power of sending their orders to the local government of India, through the secret committee of the Court of Directors, which committee was considered as the vehicle of the instructions to the local authorities of India.

In India the chief control was given to a Governor-General and a Council of three, of whom the Commander-in-Chief of the forces for the time being was to be one, and to have a voice and precedence next after the Governor-General; but the Commander-in-Chief was not to succeed as Governor-

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General, in the event of a death or vacancy, unless by a special appointment of the Court of Directors.

The subordinate Presidencies of Madras and Bombay were now first established as governments the same as at Bengal, and at both the Governor had, like the Governor-General, a casting vote in Council. But they were placed completely under the rule of the Governor-General in Council on all points connected with their relations or negotiations with the country powers, peace or war, and the application of their revenues and military forces. These subordinate Presidencies were strictly prohibited from making war or peace without orders from the Governor-General at Calcutta, or from the Court of Directors, or the secret committee at home, except only in cases of sudden emergency or imminent danger, when it would be ruinous or unsafe to postpone such hostilities or treaties. The supreme government of Calcutta was to be entrusted with the power of suspending the Governors of Madras and Bombay, in case of any disobedience of orders ; but the power of war and peace was now to be retained at Calcutta, it being declared by this Act that, as the pursuit of schemes of conquest was repugnant to the wish, to the honour and the policy of the British nation, it was not lawful for the Governor-General in Council, without the express authority of the Court of Directors, or of the secret committee, to commence hostilities, or to enter into any treaty for making war against any of the native princes or states in India, or into any treaty guaranteeing the dominions of such princes or states, except when hos-

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tilities had been commenced or preparations actually made for the attack of the British nation in India, or some of the states and princes whose dominions the British nation was engaged in subsisting treaties to protect and defend. But we will shortly see how little this provision altered political or military procedure in India.

Another provision of the bill created a new tribunal for the trial of Indian delinquents and the formation of new modes of procedure against such criminals. The sections dealing with this extraordinary court were subsequently amended, but all to no purpose: this part of the Act was still-born; the court was a court in name only; not a single criminal was ever arraigned at its bar.

The patronage of India by this bill was left to the Company with one exception; the King was to name the Commander-in-Chief, who was always to be second in Council. The Governor-General, the Governors of Bombay and Madras, and the members of all the three Councils were subject to the approbation of the King, who was to have the power of recalling any British subject holding office in India.[1]

In conclusion it must not be supposed that the Company had no voice in the composition of the Regulating Bill; it was from the first supplied by the

[1] If the Court of Directors did not within two months nominate to vacancies which might occur in any of the principal charges or employment, such as Governor-General, Governor, or Commander-in-Chief, or member of Council, then the Crown became possessed of the right to make such nomination.

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Minister with a draft, and many of its suggestions and objections were incorporated in the Act.

After all the changes had been made, the Company had been but little altered in its constitution; at most it merely went back to the earlier day. The Court of Directors consisted as heretofore of twenty-four members, six of whom were to be elected annually in the room of six who, having served four years, retired and became ineligible to re-election until they had been one year out of office. The Court henceforward divided itself into Committees, regulated by seniority rather than by the fitness or qualifications of the members: with a view to each committee undertaking a separate portion of public business. From among the senior members of the body, for example, the chairman and deputy-chairman were chosen, who with the directors next in point of seniority themselves constituted the Committee of Secrecy. The Committee of Correspondence, the most important perhaps of the whole, consisted of eleven of the senior directors, the chairman being officially included: with this committee almost every measure of real importance originated, the rest devoting their time, as they had long done, to the details of commerce and to the matters arising out of them.

Much speculation was rife as to how the new system would work. No long time passed before its weak points were made manifest. In theory, the authority of the Board of Control was paramount, because while the Court of Directors actually compiled the despatches, they could not be forwarded

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without the scrutiny and revision—sometimes so severe as to amount to re-writing—of the Board. But in practice the President and his Commissioners soon found that their power was less than they were commonly credited with. In the first place they had not the special knowledge and special connections to enable them to overrule the Company, and in the second place they were responsible to Parliament, and every act of which the Company might complain was open to its investigation. The public were treated to a contest for supremacy before Pitt's bill was two months old. It concerned the right of recall, which was at first awarded solely to the Board. In October, 1784, the directors appointed Mr. Hollond, an old servant, who had long been at Madras and was reputed to have ability, integrity and an extensive knowledge of the country, to succeed Lord Macartney in the government of that Presidency in case of his lordship's resignation, death or removal. The Board of Control objected to the choice. The Court of Directors persisted in their appointment, and intimated that the Board of Control were meddling in a matter that did not belong to them, inasmuch as by the new Act the power of appointing to such places rested with the directors. Hereupon the Board of Control said: "If the reasons which we have adduced do not satisfy the Court of Directors, we have certainly no right to control their opinion". But at the same time they informed Hollond that if he accepted the appointment and went to India he would be recalled the moment he got there. This settled the dispute;

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and Dundas was allowed to nominate Sir Archibald Campbell, "who whatever were his other qualifications had the merit of being Dundas's friend".

Much of this friction was due to the affairs of the Nawab of the Carnatic and his political and pecuniary rights and wrongs, which formed one of the burning questions of the day. An inquiry had been ordered by the terms of the Act of 1784. The Company therefore framed a despatch to Madras requiring the investigation to be proceeded with. Dundas, now at the head of the Board of Control, thought the step unnecessary, and proceeded to divide the alleged debts of the Nawab, amongst which were the sums said to be owing to certain English adventurers, into three classes, and to announce that a portion of the Carnatic revenues should be allocated for their liquidation. A chief creditor was the notorious Paul Benfield, who had together with several of his friends returned to England, got elected to Parliament, and now supported the Ministry. The Ministry in return did nothing to cause any reflection to be thrown upon Benfield's honour or the Nawab's debts. The inquiry demanded was refused, and the new Board of Control was commonly believed to have perpetrated a "foul political job".

It is to Pitt's credit that he did not wait too long in seeking to make the rough places smooth. In 1786 several amendments to his Act were made. One repealed the order that the Commander-in-Chief in India should be second in Council, and left it at the option of the Company to appoint him to such office. It empowered the Court of Directors,

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should they see fit, to unite in one person the offices of Governor-General and Commander-in-Chief. Two other Acts were passed declaring the King's approbation was not necessary to the appointment by the Court of Directors of Governor-General, Governors and members of Council, and amending the provisions of the Act of 1784 for appointing a distinct Court of Judicature, to be chosen in each session of Parliament, for the trial of persons accused of offences committed in India. A clause was also inserted declaring that offences against the Company's exclusive right of trade, which could only be tried at Westminster, might be tried in the East Indies. Persons whose licences of residence had expired were to be subject to the same penalties as unlicensed persons, and power was vested in the governments to seize unlicensed persons and ships.

The statute of 1784 may be said to have palsied the right arm of the Company, already weakened by the Regulating Act of 1773. With its sinister limb it could still indite despatches, it could still regulate its household and its commerce in India, China and the East; but the privilege of initiative and the free power of the sword were gone. In military and political matters it was no longer a free agent; it had lost its sovereignty and its independence: hereafter we behold it, mighty indeed, but chained to an unrelenting suzerain, the British Government.

It were unprofitable, therefore, to deal at length in this narrative with the subsequent wars in India, or those measures undertaken there of a military, judicial, or administrative character which were not

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planned or directed by the Court. Henceforward the responsibility lies with the Governor-General and the Ministry. The Company at length realised the situation: "The control and direction of Indian affairs is not with the Company; unless, indeed, it be argued that the small share of patronage left to them constitutes power and influence. All the great wheels of the machine are moved by the Government at home, who direct and control the Company in all their principal operations in India." [1]

[1] *Reply to the Arguments against the Company's Claim.*—East India House, 19th January, 1805.

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CHAPTER XI.

The Governor-General Fights—The Company Pays.

WHILE Fox and Burke had been thundering against the Company in Parliament, Hastings and Francis had fought a duel with pistols in Calcutta. Two days before the fall of Fox the defeated duellist, Francis, sailed for home, with a large fortune in his hands and vengeance in his heart. Hastings had long before asked the Company to name his successor. But the Company were naturally reluctant to part with its great and loyal servant; and so Hastings, weary and seeking repose, himself handed over the keys of office on the 8th February, 1785, to John Macpherson, the senior member of Council, who thus became Governor-General.[1]

Warren Hastings was the last and greatest of the Company's great servants in the lineal succession of Aldworth and Methwold, Aungier and Oxenden, Child and Charnock, and Thomas Pitt. Great men may have come after him as rulers in India, but they

[1] Macpherson's rise had been extraordinarily rapid. He was originally the secret agent of the Nawab of Arcot, had subsequently entered the Company's service, and by reason of home influence found himself in a few years with a seat in the Calcutta Council. The profits under his administration showed an increase:—

1785-6 - - - - -	£1,038,987
1786-7 - - - - -	1,660,868

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were not Company's men, trained in its service and loyal to the Company. Most of his successors were soldiers, and the civilians were not traders. Shore was a true product of the Company—so was Barlow; but neither Shore nor Barlow was great. The former was appointed by the Company, but he served the Crown, and until the revival, a generation later, of part of the old loyalty to the rich, time-honoured spirit of East India House, there seemed nothing else to serve. The military servants were always complaining of their "inferiority" to the men in the King's service.[1]

Hastings, then, was all but the last of the great merchant adventurers. It may not be a high ideal, that of money-getting, but the British people must not be ashamed of its tools, and it is this spirit which has led to the expansion not only of this, but perhaps of all Empires. Much has been written to prove that Hastings had a fine disregard for wealth, to belittle and explain away the fortune of £130,000 which he carried away from India. Even so, was it not Hastings who was "ready to coin his body into rupees to serve the Company"? This only shows his loyalty and his grand adhesion to the guiding principle of the body he served. One of our great modern Imperialists avers that we conquered India in a fit of absent-mindedness. In this conquest our "object was trade, and in this we were not particularly successful until after the Company's monopoly had been revoked". But is not this confusing the

[1] More than once we find them petitioning for higher rank, longer furloughs and more privileges.

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East India Company with the English nation? If our narrative has taught us anything it is how little the two were identical. And, although the nation at large may not have derived great benefit from the Indian trade, the Company *was* successful. It paid huge sums to the Government, it divided huge sums amongst its members, during a space of nearly two centuries. And its servants conquered India because the Company's eye was fixed on profit, and sometimes lacked inconvenient scruples, which a King's Minister, with an eye to foreign chancellories, might have, but not inappropriate to a body of persons "merely bred to trade".[1]

Warren Hastings landed at Plymouth in June, and posted up to London and to Court. The King received him and his wife graciously. The Court of Directors greeted him in a solemn sitting, and the chairman read a vote of thanks for his great achievements, which had been passed with no dissenting voice. In a letter, two or three months after his arrival in England, Hastings wrote: "I find myself

[1] The Company's net profits under Hastings had been :—

1772-3	£567,866
1773-4	1,031,806
1774-5	1,625,336
1775-6	1,871,021
1776-7	1,767,491
1777-8	1,200,623
1778-9	1,040,437
1779-80	377,677
1780-1	354,454
1781-2	275,782
1782-3	1,029,622
1783-4	1,163,224
1784-5	1,128,612

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everywhere and universally treated with evidences, apparent even to my own observation, that I possess the good opinion of my country".

But Francis, ever since his return from the East, had been devoting his pen and voice and talents for intrigue to the task of blackening Hastings' Indian administration. He had succeeded in completely gaining the ear of Burke, who wept copious tears over the fate of the pious Nuncomar. In the course of the next session the Commons resolved to impeach both Hastings and Sir Elijah Impey, the Chief Justice, who had returned to England as far back as the month of June, 1784, and who had not hitherto been molested. In January, 1788, Impey was heard and acquitted, but it was not until after a weary term of nine years and a grand trial in Westminster Hall that on the 17th of April, 1795, Warren Hastings was pronounced not guilty upon every charge.

When the great change in the government of India had been settled upon it became necessary to cast about for some one to succeed Hastings as Governor-General in India, a post which Sir John Macpherson held temporarily. The choice fell upon Lord Cornwallis, who, in spite of his disastrous American military experience, had years before been mentioned by Dundas for the post. Cornwallis waited upon the directors in Leadenhall Street and received such instructions as under the new order could scarce be more than supplementary to those his lordship had already received from the Board of Control.

There would still be wars—and even bloody

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wars—in India, but the general situation of affairs would never become so difficult and perplexing as it had been; Hastings had broken the only European power capable of contending with the English, and by consolidating the Empire which the Company had founded, rendered comparatively easy the task of his successors. "The French star in India had declined, and in spite of some feeble efforts to re-erect the system of M. Bussy and to revive the struggle in Hindustan, they never again became formidable in that part of the world." Their great Revolution supervened, and their energy and ambition were employed in channels nearer home.[1]

Pitt's India Bill was improved and strengthened by the three amending Acts passed in 1786,[2] and by the Declaratory Bill of 1788. The powers of the Governor-General were at once enlarged and better defined. He was vested with a discretionary right of acting, in extraordinary cases, without the concurrence of the Supreme Council at Calcutta, being held solely and personally responsible for any consequences which might ensue from the measures adopted under such circumstances. This tended to remove that divided authority and that perpetual collision between the Governor-General and his Council which had maddened Hastings, and occasionally even

[1] The net profits of the Company under the first three years of Cornwallis's government were:—

1787-8	£2,232,943
1788-9	2,767,369
1789-90	2,807,444

[2] In this year Parliament also passed an Act enabling the Company to raise money by the sale of annuities.

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jeopardised British dominion in India. Some reductions were made in the civil service, which had become overcrowded with writers and young men, who had little to do, and in many cases were inefficient.

The great Clive had shortly before his death painted such a picture of the life and temptations of the younger servants as could not fail to exert a powerful effect upon the Company and the nation at large. He had conjured up the youthful writer newly arrived in Bengal, and not worth a groat. "As soon as he lands, a banian, worth perhaps £100,000, desires he may have the honour of serving this young gentleman at 4s. 6d. per month. The Company has provided chambers for him, but they are not good enough: the banian finds better. The young man takes a walk about the town: he observes that other writers, arrived only a year before him, live in splendid apartments or have houses of their own, ride upon fine prancing Arabian horses, and in palanquins and chaises; that they keep seraglios, make entertainments, and treat with champagne and claret. When he returns, he tells the banian what he has observed. The banian assures him he may soon arrive at the same good fortune; he furnishes him with money; he is then at his mercy. The advantages of the banian advance with the rank of his master, who in acquiring one fortune generally spends three. But this is not the worst of it: he is in a state of dependence under the banian, who commits such acts of violence and oppression as his interest prompts him to, under the pretended sanction and authority of the Company's servant."

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To alter such conditions and to remove such temptations, it was, during Lord Cornwallis's *régime*, decided to institute a regular scale of salaries more adequate to the servant's position and the labour performed. Those to whom the prospect of promotion and a generous stipend was no attraction were gradually weeded out of the service.

Before 1784 there does not seem to have been any limit of age for candidates for the Company's service. But by a resolution on the 16th July, the Court decided "That no writer nor cadet should be sent to India under fifteen or above eighteen years of age, except such persons as cadets who shall have actually been one whole year in His Majesty's service, and then not to exceed the age of twenty-five years".[1] A few years later the Company resolved "that in the future no foreigner shall be admitted into the Company's service as a writer or cadet".

It having been found that the practice of the British subjects lending money to the native princes and chiefs was productive of much mischief, and that the Company could not effectually prevent it, the Company procured in 1787 an Act of Parliament rendering any British subject "who, directly or indirectly, lends money to a native prince without the consent of the Court of Directors, the Governor-General or the Governor of a Presidency, liable to a prosecution for misdemeanour".

Long before, the Company's attention was drawn to the evils caused by the debts which had arisen

[1] F. C. Danvers, *Memorials of Old Haileybury College.*

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from private persons lending money at a high rate of interest to the Chinese. The Emperor of China had even issued an edict ordering the debts to be paid and prohibiting debts being incurred by his subjects for the future. Certain mandarins were appointed through whom alone future dealings were to be carried on. As a result, combinations were formed amongst the Hong merchants, who, to cover themselves, laid higher prices on the teas and lower prices on the Company's imports. This had an injurious effect upon the Company's trade, and the loss was considerable.

One of the Company's earliest acts after the institution of the Board of Control was directed against duelling. Within recent years there had been a great number of duels fought in India between officers and civil servants of the Company. These duels were not confined to young men, or to the inferior ranks of the two services: Hastings had fought Francis; Lord Macartney, Governor of Madras, had fought with Mr. Sadleir, a member of Council, and had been wounded by him;[1] Macpherson, who had been acting as Governor-General, was challenged by Major Brown, on the Bengal establishment, for some offence taken at Macpherson's proceedings in his station as Governor-

[1] On his return to England, Lord Macartney had to fight another duel. This was with General Stuart, whose conduct in the Carnatic, and especially at Cuddalore, had been very severely, and it would appear, very justly criticised. His lordship was again wounded; but this wound, inflicted in a field near Kingston, in Surrey, did not prove that Stuart had done his duty as a soldier and commanding officer at Cuddalore, in the East Indies.—Macfarlane.

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General. The Court of Directors now passed a unanimous resolution "reprobating the practice, and determining to dismiss from the Company's service every party who should presume to challenge a member of the government, or any other officer, on account of matters arising out of the discharge of official duties".

Tea being the Company's great staple, from tea coming its chief profit, with China and the East trade was pushed vigorously. The need of a port where British ships might meet the Eastern merchants, and the necessity of a windward station for refreshment and the repair of the King's ships, as well as those of the Company, brought about the annexation of Prince of Wales' Island in the Straits of Malacca. In its Chinese trade for some time past the Company had suffered from an invasion of its privileges by other Europeans. In 1780, one Smith, an English private trader, refused to recognise the power of the Court of Directors, who took the advice of the Company's standing counsel, and ordered the delinquent to be sent home to England, which soon settled the matter.

It was not until 1786 that all doubts as to the Company's authority over British subjects and ships were removed by the Act of Parliament which enacted that all the powers and authorities in any Acts given, granted or provided for taking, arresting, seizing, remitting, sending or bringing to England "any person or persons being in the East Indies or other places mentioned in the Act, contrary to law; and for seizing any ships, vessels, goods, or effects liable

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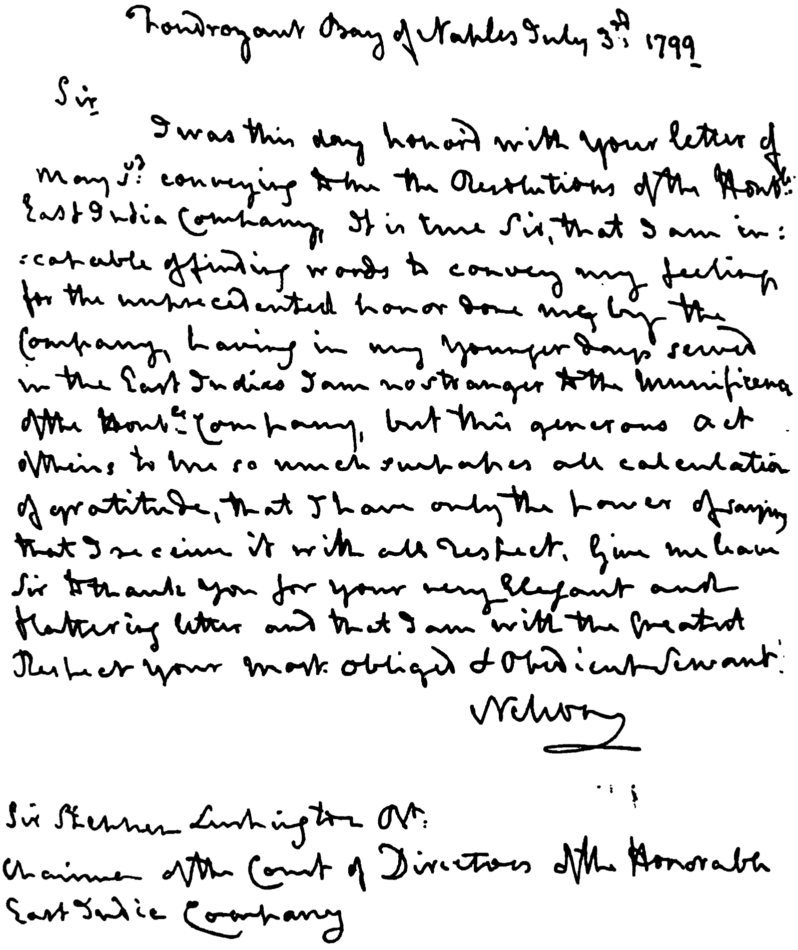

Foudroyant Bay of Naples July 3rd 1799

Sir

I was this day honor'd with your letter of May 1st conveying to me the Resolutions of the Honble East India Company. It is true Sir, that I am incapable of finding words to convey my feelings for the unprecedented honor done me by the Company, having in my younger days served in the East Indies I am no stranger to the munificence of the Honble Company, but this generous act of theirs to me so much surpasses all calculation of gratitude, that I have only the power of saying that I receive it with all respect. Give me leave Sir to thank you for your very elegant and flattering letter and that I am with the greatest Respect your most obliged & Obedient Servant.

Nelson

Sir Stephen Lushington Bt.
Chairman of the Court of Directors of the Honorable
East India Company

FAC-SIMILE OF LORD NELSON'S LETTER TO THE COMPANY'S CHAIRMAN.

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to seizure by any law in force, shall and may be enforced and put in execution by or by the order and authority of the Company's Council of Supercargoes for the time being, at the town or factory of Canton within the said town or factory, or upon the river of Canton ".[1]

Yet the Company, exerting all its strength to fill the mercantile field of the East, was not indisposed to deal liberally with its servants. For example, we find that in 1789 the Court passed resolutions "to increase the Company's exports to the utmost extent in their power," directing an augmentation of the investment for this season of above 2,500 tons. At the same time it resolved "to allow the commanders and officers of their ships to fill, freight free, all such outward tonnage as might be unoccupied by the Company. To allow the Company's servants and merchants residing under the Company's protection in India, to fill up such homeward tonnage, as might be unoccupied by the Company, at a reasonable freight."

In January, 1792, the chairman and deputy-chairman waited on Henry Dundas (afterwards Lord Melville), when they met Mr. Pitt, by whom they were informed that His Majesty's Ministers contemplated sending an embassy to China, for the purpose of placing British intercourse with that nation on a more firm and extended footing. The official heads

[1] The Order in Council of the 9th December, 1833, vested the same powers in the superintendents appointed by the King for the conduct of the British trade at Canton as were possessed by the supercargoes of the East India Company.

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of the Company expressed great doubts as to the probability of any substantial and permanent advantage being derived by the Company or the nation at large from the measure; but as contrary opinions had been adopted by some of the highest authorities, and as the nobleman proposed for the mission was considered to be particularly well qualified for the purpose, the Company thought, if the experiment must be tried, the opportunity was not to be neglected. The subject having been considered by the Court of Directors, they agreed to the proposition and passed a vote of credit to the chairman and deputy-chairman, to whom the duty was devolved of arranging the material points of the embassy with His Majesty's Ministers.

Hitherto the Company had been obliged to pursue the trade with China under circumstances the most discouraging, hazardous to its agents employed in conducting it, and precarious to the various interests involved. The only place where it had the privilege of a factory was Canton. The fair competition of the market was thus destroyed by associations of the Chinese. The supercargoes were denied access to the tribunals of the country and to the equal execution of its laws, and were kept altogether in a most arbitrary state of depression, ill-suited to the importance of the concerns entrusted to their care, and scarcely compatible with the regulations of civilised society.

It therefore became important to ascertain whether these evils had arisen from any settled policy of the Chinese government, or from an

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ill-founded jealousy of our national influence, or whether they were created merely by the corruption and abuses of a distant provincial administration, to endeavour to obtain a remedy for them.[1]

Sanguine expectations appear to have been created in the mind of Lord Macartney as to the probable opening in the northern ports for British staples, "especially woollens"; much was anticipated from the apparent disposition of the new viceroy of Canton to encourage foreign commerce. But Lord Macartney ought soon to have been disabused of this notion. The terms of the letter from the Emperor to the King of England were calculated to defeat all hopes of any real benefit arising from the mission.

The ambassador himself attributed his failure to a misunderstanding; he thought more "might have accrued from a more perfect knowledge of the Chinese language". He added in a letter dated at Canton the 7th January, 1794, "that there is a likelihood of a permanent, as well as a complete redress of every grievance, whenever a familiar access to the Viceroy shall be established, and the difficulty overcome of communicating freely with him in the Chinese language".

The letter to King George from the Emperor stated that the proposals of the ambassador went to change the whole system of European commerce so long established at Canton. This could not be allowed, and his consent could by no means be

[1] Auber's *China.*

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given for resort to Ningpo, Chusan, Tientsin or any southern ports, nor could he allow of a British resident at Peking. He observed that the Russians now only traded to Kiatchu, and had not for many years come to Peking, neither could he consent to any other place of residence for Europeans near Canton but Macao, adding, "your merchants must conform to the usual rate for right of anchorage at Canton," and in conclusion his Chinese majesty stated that, "as the requests made by your ambassador militate against the laws and usages of this, our empire, and are at the same time wholly useless to the end proposed, I cannot acquiesce in them.

"I again admonish you, O King, to act conformably to my intentions that we may preserve peace and unity on each side, and thereby contribute to our reciprocal happiness. After this, my solemn warning, should your Majesty in pursuance of your ambassador's demands, fit out ships in order to attempt to trade either at Ningpo, Tehu San, Tien Sing or other places, as our laws are exceedingly severe, in such case I shall be under the necessity of directing my mandarins to force your ships to quit these ports, and thus the increased trouble and exertions of your merchants would at once be frustrated. You will not then, however, be able to complain that I had not clearly forewarned you. Let us therefore live in peace and friendship, and do not make light of my words. For this reason I have so repeatedly and earnestly written to you upon this subject."

Thus terminated Lord Macartney's embassy,

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from which so much was expected. It has been justly observed that the ambassador "was received with the utmost politeness, treated with the utmost hospitality, watched with the utmost vigilance, and dismissed with the utmost civility".

The Company had long sounded the Chinese trade; its traders had touched bottom; they knew that it meant only tea and opium in exchange for dollars, and tea and opium it continued to be until our own day. But Manchester and Sheffield were still unconvinced. In consequence of various suggestions growing out of the embassy, an attempt was made in the early part of 1795 to introduce sundry articles of British manufacture to Peking, consisting of samples of linen, cloth, sword blades and specimens of wove paper, the latter having been much admired by the mandarins at the capital, who were only accustomed to the coarse paper imported from Korea.

Great caution was used in forwarding the articles to Peking, and the sanction of the Viceroy at Canton was obtained before the sword blades were landed. Letters were sent from the King to the Emperor of China, and from Mr. Secretary Dundas, the Earl of Macartney, Sir George Staunton and from the chairman and deputy to the Viceroy. Presents accompanied the letters. A gracious reception was given to the supercargoes by the Viceroy, who had promised the ambassador previous to his departure from China "that he would ever attend to the representations" of the supercargoes. But no trade followed: and all ended as before in civilities.

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The year 1793 witnessed a renewal of the Company's charter for twenty years under circumstances far different from any of the renewals which had gone before. In April it was put before the House of Commons by Mr. Dundas that the East India Company employed at that time 81,000 tons of shipping and 7,000 seamen, and imported from India £700,000 worth of raw materials annually. As a consequence, a committee was formed in the House to consider the renewal of its charter according to its petition. It was authorised to raise a sum of £200,000 as capital, while it defrayed debts amounting to £500,000 sterling, and was obliged to hand over another £500,000 to the Government. There was a demand that trade to India should be thrown open to the nation, but while this was refused by Pitt, yet a step towards it was made by allowing private individuals to employ 3,000 tons of shipping annually in the Eastern trade. The Crown was also granted the power of appointing to the Board of Control persons not members of the Privy Council. Otherwise there were few alterations which rendered the new bill different from Pitt's original measure.

While all the public corporations of the land were voting money and addresses to the King on the occasion of the outbreak of war with France, the East India Company was, as may be supposed, not behindhand. From first to last the Company took the deepest interest in the terrible struggle. In September, 1794, it passed a resolution evincing "its determination to support the Government of

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the country in the prosecution of the present just and necessary war". In October, at a General Court convened for the purpose, it expressed a wish to the Government to raise and equip three fencible regiments at its own expense to serve at home, recommending that the Company's own military officers might be employed to command them.

A few years later the Company resolved to thank Lord Nelson "for his very great and important services rendered to the Company," and to beg his acceptance of £10,000. The Chairman, Sir Stephen Lushington, conveyed the substance of the resolution to Nelson, who replied in a letter penned on board the *Foudroyant*, which is reproduced elsewhere in these pages.

How closely the Company's home accounts and the general state of its receipts and payments were involved with its political concerns in India was generally seen at this time. The expenses of raising recruits in Great Britain and Ireland, the payment to the King's Indian regiments, the half-pay to returned officers, and other expenses at home, were incurred on account of the territorial possessions. On the other hand, the amount realised by the Company from the Indian revenue was derived from the excess of goods received from India above the total of the value of the exports from Great Britain and of the amount of bills drawn from thence and of the charges incurred at home. These receipts and charges at home belonged to the Company as possessions of the British provinces in India. Its other receipts and payments were of a commercial nature,

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as were all of the assets of the Company at home except certain old claims on government for expenses defrayed in the war which ended in 1763.[1]

The assets met with a considerable reduction in the year of the renewal of the charter, for in July a very destructive fire attacked the warehouses of the Company, second only to the memorable fire of 1666. Twenty thousand bags of saltpetre were burnt and 630 houses in the hamlet of Radcliffe were destroyed. As if by way of recompense, in September of the same year nine East Indiamen arrived in England with cargoes estimated at £8,000,000 sterling.

In 1793, too, that year of bloody horrors across the Channel, the Company had the gratification of seeing one of its old civil servants raised to the Governor-Generalship. We have already spoken of Sir John Shore, afterwards Lord Teignmouth. He was of the old school of Company's men—the last of the trading Governors-General. He had passed through nearly every grade of civil rank; he well understood the policy of peace, the doctrine of dividends. Burke had urged the Company to postpone the appointment. The chairman and deputy-chairman replied that Sir John Shore had been selected for his high honour and probity and his peculiar fitness; the Court had appointed him on these grounds

[1] These we learn from the accounts were "for subsistence to French prisoners, expenses of an expedition to Manilla, and hospital expenses of His Majesty's troops". The total is £422,011, but is reckoned of a "doubtful nature" in the report of the Committee of Proprietors in 1782. The sums are, however, retained in the account of assets in 1793.

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to the arduous and responsible office, and to that appointment they adhered. Major-General Sir Robert Abercromby assumed the office of Commander-in-Chief, under the Court's appointment of September, 1792. Shore being no soldier a separation of the two offices became necessary.

The great feat of Shore's administration was his dethronement of one Nawab of Oudh and the setting up of Saadut Ali in his place. By this arrangement the annual subsidy to the Company was raised from fifty-six lakhs to seventy lakhs of rupees. It was also agreed among other political and military concessions, which have no place here, that the new ruler should pay the sum of twelve lakhs of rupees to the Company as a reimbursement for the trouble and expense incurred in placing him upon the throne. The pecuniary gain to the Company promised to be very considerable, and Sir John Shore received the thanks of the Company, as well as those of the Board of Control, who already began to appreciate the advantages of a full exchequer in India.

Unluckily, this arrangement of Shore's did not fulfil its early promise. Five years later Saadut had allowed his payments to the Company to fall into arrears, and was owing more than eighteen lakhs of rupees when Lord Mornington first assumed the government of India. The Court of Directors became clamorous for payment. Zemaun Shah, the King of Cabul, and the deposed Vizier Ali were preparing for invasion. It was expected that the Afghans would be soon on the frontiers

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of Oudh, and the cost of troops and armaments for defence was enormous. Another arrangement became necessary, and in 1801 territories were forthwith formally annexed in Oudh, which under the Company's management soon produced some £2,000,000.

In 1795, when the great Hastings trial was concluded at Westminster Hall, Hastings, although acquitted, was ruined by the costs. Pitt had spoken in the House of Commons about a proper indemnification by the nation if the charges should not be made good. But the Company itself came forward, and on the 7th March, 1796, it was announced at a General Court in the East India House that the Board of Control and the Court of Directors had agreed to grant Hastings an annuity of £4,000 for twenty-eight years and a half. In order to relieve him from his embarrassments a sum of £50,000 was lent to him by the Company without interest.[1] Other relief measures were subsequently awarded.

We have premised that it is not our purpose to dwell hereafter upon the conquests and annexa-

[1] Hastings survived his acquittal twenty-four years, and, in his last years, honours and distinctions were showered upon him. The University of Oxford conferred the honorary degree of Doctor of Laws; the Prince Regent added his name to the list of Privy Councillors, and in that same year (1814), the allied sovereigns being in England, the Prince presented Mr. Hastings to the Emperor of Russia and to the King of Prussia as one of the greatest men of this country. In his eighty-second year, however, he was again in pecuniary difficulties, having outlived the period for which his annuity had been re-adjusted in 1804. The nation which had wrested the Company's Indian conquests from its hands would do nothing for the man who had preserved those conquests. Hastings again came before the Company, and it agreed to continue its handsome annuity for life. Hastings died on the 22nd of August, 1818, in his eighty-sixth year.

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tions in India, except in so far as these were dictated or opposed by or directly affected the Company in Leadenhall Street. Partaking of such a character was an interesting event in 1795, which connects the earlier with the later portion of this narrative, and recalls the early rivalry of the Dutch East India Company.

As a result of the war with Holland, in her miserable character of forced ally of revolutionary France, several important conquests were effected over her Eastern settlements by expeditions fitted out from Madras. All the old Dutch settlements in Ceylon and Malacca were reduced, and Cochin and the famous Dutch islands of Banda and Amboyna captured. Until 1801 they were allowed to form an appendage to the Madras Presidency, and the Company considered that it was to derive the same advantages in Ceylon as it enjoyed in India. But Pitt placed the Ceylon settlements under the direct administration of the Crown, and appointed a governor who was to be altogether independent of the authority of the Company. The Dutch islands were restored to the Dutch by the Treaty of Amiens in 1802, but we shall have again occasion to record their capture by the Company's servants.

In India the long and bloody conflict with the Mysoreans ended in the capture of Seringapatam and the death of Tippoo Sahib in May, 1799. Treasure to the value of a million sterling in specie and jewels was seized, but the Company got none of it. By Lord Mornington's order, the whole was distributed to the army.

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The dominion founded by Haider Ali was now at the feet of the English; of course, the Company would have taken it: the Governor-General wished to annex it. But Parliament and the Board of Control had strictly ordered that there should be *no wars of conquest.* There was nothing to do therefore but to dismember the territory and divide it for a consideration in each case between the Nizam of the Deccan, the Peishwa of the Mahrattas and the ancient Rajah of Mysore, leaving certain seaboard districts to the Company's domain. The whole territory conquered from Tippoo was over 20,000 square miles. The revenue immediately obtained by the Company was very large, and under good government could be made far larger. But what was revenue when it was all spent in civil administration?

In the upshot, however, the Governor-General had his way. The Mahratta chief, despite of his master the Peishwa, haughtily declined to receive any gift from the English, and in the following year it was found advisable to make the Deccan more dependent upon the Company, and so check rapacity and misrule. In 1800 the Nizam of the Deccan ceded to the English all the territory he had acquired by Lord Cornwallis's pacification in 1792 and by the arrangements of 1799. He received in exchange a discharge from the payment of his monthly subsidies and a liberal assurance of protection.

In 1798 the Court of Directors appointed Harford Jones to be "Resident at the Court of the Pasha of Bagdad," with the view, amongst other objects, of facilitating the transmission of news to and from

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India and of watching the proceedings of French emissaries who were occasionally proceeding to and from India, through the Bagdad Pashalic. These were believed to be spies busily engaged in communicating intelligence to General Bonaparte, then supposed to be planning an invasion of India *viâ* Egypt and the Red Sea. Had the French conqueror's Egyptian schemes not miscarried, owing to the destruction of his fleet by Nelson, there is little doubt that India would have received a visitation and the combined forces of Bonaparte and "Citizen" Tippoo's successor have undone all—or most—of what the Company's servants had done for English supremacy in the East. No wonder the delight and gratitude of the Company knew no bounds, or that it should enthusiastically have voted the immortal hero of the Nile the sum of £10,000 as a token of its gratitude.[1]

Although thus deprived of his fleet, which was to storm Bombay, Madras and Calcutta, together with 5,000 of his seamen, and cut off from communication with France, yet Bonaparte's genius conceived another plan, by which the same end might be attained. It was nothing less than the conquest of Syria, creating an army out of its warlike mountaineers, crossing the Syrian desert, Mesopotamia and Persia and so on to India as Alexander had done before him. With this view Bonaparte despatched emissaries and letters to various Eastern rajahs and governors, enemies of

[1] See p. 325.

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the Company. But the defence of Acre by the Turks and English again foiled his hopes and Bonaparte returned to France. It is worth mentioning that one of his letters was addressed to the Imaum of Muscat, Syud Sultan, with whom the Company's agent had just then entered into a friendly treaty antagonistic to the French. On the 18th January, 1800, this was extended by Captain (afterwards Sir) John Malcolm so as to amount to an offensive and defensive alliance with the English against the French and Dutch, and provided also for the establishment of an English agency at Muscat. In the following year Malcolm was sent to Persia "as an envoy of the Governor-General," and concluded two treaties, one political and the other commercial, with the Shah. By the commercial treaty all the old factories were restored, several more were granted, and the duties to be collected from purchasers of staples were reduced to 1 per cent.

In the ensuing years we see the Company greatly suffering from time to time from pirates in the Persian Gulf, necessitating repeated expeditions against them, and more than offsetting any commercial profits, up to the period when the Persian trade was thrown open to the nation.

It was too much to expect that the Company, supported by the Board of Control, would long continue to acquiesce in the system which allowed its weak vassals and mock rulers in India to have the handling of the revenues. Divided rule might obtain in England; but it was disastrous in India. In 1800 treaties were effected with the Rajah of

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Tanjore and various native princes, all having for their object the removal of political power from the hands of the weak, effeminate or incompetent, into the hands of the Company. In these states the entire administration of government and revenue was now vested in the Company. In Surat, a flimsy and almost fictitious government was pulled down. The Nawab of Surat had long owed his political existence to the Presidency of Bombay, which had garrisoned the castle of Surat, and had, by money and by other means, sustained and defended him. His arrears of debt were so great that before Lord Mornington assumed the supreme government in India the Court of Directors had impatiently called for a settlement. The Nawab died, and there arose a disputed succession, and almost a civil war. On the 10th of March, 1800, the chief claimant was set aside, with a liberal allowance, and the government and revenues of Surat assumed by the Company. The change was generally welcomed by the people.

In the Carnatic the Company continued to derive so little advantage from its government that it could scarce pay its servants. The Nawab, Omdut-ul-Omrah, was ruining the province in order to obtain money for his own lavish expenses, and wherewith to pay his rapacious creditors and mortgagees the enormous interests upon the loans they had made to him. The Nawab was shown to have exhibited treachery to the English during the siege of Seringapatam; he had, besides, long maintained a secret correspondence in cipher with Tippoo Sultan. Lord Clive, the son of the great soldier, now Governor of

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Madras, was authorised by the Governor-General to institute a searching inquiry. The result of this was a decided conviction that Omdut-ul-Omrah ought to be deposed.

The Board of Control was as eager as the Board of Directors for this step to be made, and the Nawab's death alone intervened to prevent his deposition. But a successor was set up who agreed to all the conditions required by the Company, and on the 25th July, 1801, by treaty, all the powers of government were delivered over in perpetuity to the Company and were totally and for ever renounced by the Nawab. He was allowed a large sum, amounting to nearly one-fifth of the revenues of the Carnatic, besides being relieved from the crushing weight of debt created by his predecessors, a debt which had encumbered the revenues of the country and was rapidly ruining the people. The Company engaged to liquidate by degrees all such portions of this great debt as should be proved to be just. As for the Nawab, he was limited to "that sort of life for which alone Nawabs were fit—a life of form, ceremony and silver maces; of indolence, show and parade"—and divided rule in the Carnatic thus came to an end.

War with the Mahrattas broke out in 1802. The Peishwa, rebelling against the tyranny of his subject Scindiah, joined the English, agreeing to cede in return for its help territories worth annually twenty-six lakhs of rupees to the Company. General Wellesley was sent against the enemy, and after a long campaign beat them soundly at the famous

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battle of Assaye, captured their stronghold of Cuttack, and so cut the Mahrattas off from the sea. But the Mahrattas were not exterminated, as we shall perceive later.

After futile attempts elsewhere, in Borneo the Company had, as far back as 1774, succeeded in forming a settlement at Balabangan, a small island lying off the northern extremity of Borneo. In the following year it was attacked by the Sooloos and abandoned. In 1803 it was re-established, but the efforts to make it profitable were seen to be wasted, and in a few months it was definitely relinquished. Thus was the connection of the Company with Borneo, as landowners in that island, begun in 1700, at last terminated.[1]

An incident in the war between England and France, renewed at the same time, must not pass unmentioned in these pages. It was a victory by the Company's men—exclusively sailors and traders—and vividly recalls the old adventures of the Middletons, Best, Downton and the rest, nearly two centuries before. The French admiral, Linois, had just fallen upon the Company's factory at Bencoolen, when on the 14th February, 1804, he met at the entrance of the Straits of Malacca a rich fleet of East Indiamen and country ships on the way from China. The French admiral boasted a first-class man-of-war,

[1] From a passage in a work entitled *Keppel's Expedition to Borneo*, it would seem that a formal cession of the northern part of the island was made to the Company by the Sultan of Sooloo in 1793. No information on this point is traceable in the records of Government, nor does it appear that the rights were ever realised or formally resigned.—Fidler's *Memorandum*.

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three frigates and a brig, and with this force, having made sure that the Company's ships had no armed convoy, he foresaw an easy prey and huge booty. The commodore of the trading fleet thought otherwise. Captain George Dance was a capable and gallant mariner. The Company had caused its ships to be well armed and officered, and the sight of the Frenchman by no means struck them with dismay. Though the odds were so great Dance resolved to meet the enemy's attack valiantly. Towards evening the onset was expected; it was deferred until the following day. The battle lasted an hour, and so gallantly did the merchantmen behave that the French perceived that their job was none of the easiest. It was not too late to rectify their error, and Linois withdrew under full sail. The plucky Dance signalled to follow, and for two hours gave chase, but owing to the immense property at stake the chase was then abandoned. Thus was saved from capture by boldness and decision a valuable merchant fleet. It was afterwards said that the "slightest indecision in him or them would have encouraged the French admiral to persevere in his attack; and had he done so no efforts, however gallant and judicious, could have prevented a part of the fleet at least from falling into his hands". Such a deed was not likely to go unrewarded; Commodore Dance and his brave associates down to the least member of the crews received a liberal recompense from the Company. The leader was knighted by the King and everywhere received with an honour which could not fail to excite emu-

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lation amongst the other marine servants of the Company.[1]

Nothing baffled by the ill-success of the last embassy, the China trade continued to attract the attention of Parliament.

In May, 1804, the Company was apprised of His Majesty's intention to address a letter to the Emperor of China, accompanied by presents. It was therefore determined that a letter should be sent from the chairman of the Company to the Viceroy and Hoppo, also with gifts; and as it had been intimated to the Court that the embassy in 1792 would probably have been more successful had the Prime Minister at Pekin been "conciliated to the British interests," a letter was addressed to him by Lord Castlereagh.

The embassy duly set forth and arrived at Canton. The 23rd of January, 1805, was fixed for the reception of King George's letter, which, with Chinese versions of the letters for the Prime Minister, Viceroy and Hoppo, had been prepared with the assistance of Sir George Staunton. The Viceroy was also informed that there were letters awaiting him from Lord Castlereagh and the Company; but these latter were politely declined on the plea that the general laws of the country prevented any officer of government from receiving letters or presents from the ministers or mandarins of foreign nations. The King's letter, however, was most formally received, and the supercargoes and Sir George

[1] Among the sums of money voted to him was one of £5,000 by the Bombay Insurance Company. Other sums were given to him and to the officers and crews by the Committee of the "Patriotic Fund".

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Staunton treated with marked civility. But once again the whole venture inspired by Manchester and Sheffield ended as the leading members of the Company had predicted—as did Amherst's embassy later.

While this futile mission to China was proceeding, it seemed to Pitt and to the Company as if there had been already enough fighting and to spare in India against the Mahrattas. The English victory at Assaye had been in everybody's mouth the year before, and it was supposed that Mahratta power was destroyed. The disillusion quickly came. This time the offending chief was Holkar, who in 1804 besieged Delhi, where the unhappy Mogul was ensconced. General Lake appeared with an army and drove away the besieger, took Chandore, and, disregarding all orders and opinions from home, fought on until he was compelled to make peace in December, 1805. That this peace was a mistake was quickly proven; it was dictated at home by dread of the expense. The fact is, the treble government, that of the Company, the Crown and the Governor-General, was incompatible not merely with a "forward policy," but with the stability and security of what the Company's servants had won.

Both Parliament and the Company had recommended that no more wars should be undertaken for extension of territory, and that leagues and alliances with native powers should be avoided. But neither Parliament nor the Company adequately realised the situation. The only ones who really understood it were the Company's servants in India, and after these the imperial authorities painfully lagged. It

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has been said of this time that "the British Legislature had but slowly followed the progress of the power of the Company in India. It had legislated for factories when the Company was in possession of provinces; and by the time the laws were completed to govern provinces, the Company had acquired kingdoms. At no time was there a system formed fully calculated to the greatness of the empire.[1] Too frequently both the King's Government and the Directorial Government were disposed to apply the old tiny factory scale to the vast empire, or to pretend that the laws laid down for merchants and traders ought to regulate the conduct of statesmen, soldiers and conquerors. Campaigns were examined like "debtor and creditor accounts". Yet that "war was a necessity inherent in our position" neither Crown nor Company at home was prepared to acknowledge. In spite of this policy of the supreme authorities, wars were destined to go on—to arise out of circumstances—until in a final convulsion the Company's light was to go out and its torch be handed over to the British Crown.

In 1805 the Company, jealous of its prerogatives, drew up a despatch severely criticising Wellesley's

[1] Sir John Malcolm's *Political History of India*. It was complained at the time by Lord Wellesley's partisans that his "great scheme of strengthening and enlarging British India was spoilt by the policy dictated to his successors by the home Government. During the latter years of his administration, when his difficulties were greatest, he was not cordially supported in England by any party whatever; and his plans were severely criticised by men who did not comprehend them, and who could not see that present expenditure would be attended by immense future savings." Ever the same plaint!

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whole administration. He was accused of a desire to be "master in India," of "simple despotism," and his huge expenditure was not to be borne. "These wars and all the political powers of government connected with them have been directed by the personal authority of the Governor-General; and, in a word, his sole will and his sole power have instituted all the most important measures, internal and external, originating abroad during the latter years of his government." In brief, it appeared to be Wellesley's "intention to concentrate all the political powers of British India in the person of the Governor-General".[1] Which was insupportable!

The Company went on to charge the Governor-General with raising salaries and making appointments without any reference to the Court of Directors. It particularly resented his establishment of the College of Fort William, which it ordered to be dissolved. It is not difficult to understand the Company's position. Whatever glory accrued—accrued to the Crown and British nation, no longer to itself. It was the case that "The Governor-General fights—the Company pays". Its despatch proceeds:—

"Before we quit this unpleasant subject, we wish to impress upon the minds of our superior servants in India that, when they venture to deviate from orders which they may receive from home, without being able to assign the most substantial reasons for so doing, it is not merely the authority of the Court that is contemned, but His Majesty, since no orders

[1] Copy of a proposed despatch rejected by the Board of Control, dated 3rd April, 1805.

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can be issued by the Court to their Indian governments that have not previously received the approbation of the Board. A wanton disobedience of orders whose dangerous consequences the Court could not contemplate without experiencing a considerable degree of emotion."

Lord Wellesley came home just in time to see his friend Pitt die. He had certainly flouted the Company, but he had also laboured diligently for the extension of the commerce and commercial intercourse of India, and had begun those important financial reforms which in the course of a few years doubled the revenues of the Company, with advantage to British commerce and without injustice or oppression to the natives. He saw that the employment of cheap India-built ships in the trade with Europe would be of equal advantage to England and to India, and so set to work to employ them and give encouragement to the builders of country ships. The Company rightly held him "an expensive and a high-handed Governor," but it appreciated publicly and substantially his great merits.[1]

The death of Lord Cornwallis having occurred soon after his lordship reached India on a second term, in the appointment of his successor an illustration was again shown of the possibilities for discord between the Crown and the Company under Pitt's arrangement.

The senior member of Council at Calcutta was Sir George Barlow, who was esteemed as a capable

[1] It had voted him in 1801 a grant of £5,000 a year for the term of twenty years.

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civil administrator. By Act and charter the powers of government fell provisionally into Sir George's hands by Cornwallis's death. The Court of Directors wanted him confirmed in the office of Governor-General, and the Board of Control signified its approval but only as a temporary arrangement. At this juncture Pitt died, and Fox and his Whig friends were naturally anxious to nominate a Governor-General of their own. The Court of Directors pleaded their right to nominate the Governor-General and named Sir George Barlow. The consequence was seen in an angry collision at home between the King's Government and the Company, which inevitably communicated itself to India and there occasioned no small confusion and obstruction in the conduct of affairs.

The upshot was a singular compromise. Fox and his Whig friends gave up Lord Lauderdale, whom they had wished to force on the Company, and the latter gave up Sir George Barlow whom it had wished to retain, whereupon and by mutual consent Lord Minto, President of the Board of Control, was named Governor-General in July, 1806.

From one point of view Barlow was an excellent servant for the Company. His passion for economy and retrenchment could hardly fail to commend itself to those who looked to East India House for dividends. But he carried his passion too far and therefore fatally. His brief administration as Governor-General was signalised by the mutiny and massacre at Vellore, occasioned by certain foolish reforms directed against the Madras sepoys. As soon

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as the news of the tragedy became known in England, the Court of Directors instantly recalled Lord William Bentinck and General Sir John Cradock, the authorities at Madras. On Lord Minto's arrival at Calcutta, Sir George Barlow condescended to accept the Governorship of Madras, and here his talents for retrenchment aided in the precipitation of a serious mutiny amongst the officers, who had a far stronger case than those who had made a bold stand against the first Lord Clive. The fact that Barlow had refused to give Cradock's successor, General Macdowell, a seat in the Madras Council angered the insurgents. The Company backed up Barlow. The Board of Control desired Macdowell's inclusion in the Council. In the end the mutiny was quelled and the dispute at home settled by the Company agreeing to give a voice in the Council to Macdowell's successor. Barlow was warmly supported by Perceval's Cabinet and by the majority of the Court of Directors, "who declared that he had come out manfully from a desperate contest with the military, who had long been disorderly at Madras, and who had aimed at nothing short of erecting their own power as supreme over the civil power".[1] Thus we see how jealous the Company was grown of the military power of the Crown.

[1] Sydney Smith dealt at length with this revolt in the *Edinburgh Review* at the time; but not, I think, quite fairly to Barlow.

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CHAPTER XII.

Manchester Attacks the Monopoly.

THE perpetual intrigues of France in Persia necessitated again strengthening the diplomatic bonds between England and Persia. This had so impressed itself upon the Company that it decided to send Sir John Malcolm as Envoy Extraordinary to the Shah of Persia and Pasha of Bagdad. He was also vested with extensive control over the Company's affairs in Persia and Turkish Arabia. And now we are to behold another result of the division of power and authority in England. For the British Government had likewise conceived the same idea, and ordered Sir Harford Jones, formerly in the Company's service at Bagdad, on precisely the same mission on behalf of the Crown. Malcolm and Jones met in Persia, one representing the Company, the other the Crown. In the old days of the Company's prerogatives, Jones would have had to give way. At most, his case would have been that of Lindsay and Harland at Madras forty years before. The absurd anomaly of the situation struck even the Persians. At length Malcolm retired, and Sir Harford Jones set out for Teheran, where at length a treaty was negotiated stronger than those which had gone before.

But all this is on the eve of the extinction of the

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Company's Persian trade. In 1811, two years after the Bagdad and Bussora Residencies were consolidated, the Governor of Bombay wrote to the Company suggesting the expediency of withdrawing the factories at Bussora and Bushire, as trade was all but dead so far as the Company was concerned, and accordingly in the following year we find the Company's commercial business in the realms of the Shah and in the Persian Gulf brought practically to an end. Residents and native agents duly replaced "factors" and "brokers," and the Company's stations in Persia became a purely political charge, trade being thrown open to all, the several agents, however, being prohibited from engaging in trade on their own account or for others.

Such a change necessitates us here to take brief but special cognisance of an important fact appertaining to the larger and more important theatre of the Company's government. Full long have we reviewed the Company's acts as trader and soldier. Let us now glance at it in its nineteenth century rôle of civil administrator. Civil administration is the third act of the long drama of the East India Company's rule. It is a great landowner, the greatest in India. The collection of its revenues and the management of affairs involves the labour of thousands of Englishmen. Far different is the employment of these officials now than when the youthful Robert Clive painfully copied invoices in the warehouse at Madras.

Lord Wellesley's own words, written when he first proposed to found a training college for the

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Company's servants,[1] will here serve our turn best. "The denominations of writer, factor and merchant," he wrote, "by which the several classes of the Civil Service are still distinguished, are now utterly inapplicable to the nature and extent of the duties discharged and of the occupations pursued by the civil servants of the Company. To dispense justice to millions of people of various languages, manners, usages and religions; to administer a vast and complicated system of revenue through districts equal in extent to some of the most considerable kingdoms in Europe; to maintain civil order in one of the most populous and litigious regions in the world; these are now the duties of the larger portion of the civil servants of the Company. The senior merchants, composing the Courts of Circuits and Appeal under the Presidency of Bengal, exercised in each of these Courts a jurisdiction of greater local extent, applicable to a larger population, and occupied in the determination of causes infinitely more intricate and numerous, than that of any regularly constituted court of justice in any part of Europe. The senior or junior merchant employed in the several magistracies and zillah courts, the writers or factors filling the stations of registrars and assistants to the several courts and magistrates, exercise, in different degrees, functions of a nature either purely judicial, or intimately connected with the administration of the police, and with the maintenance of the peace and the good order of their respective districts. . . .

[1] *Minute relative to the College of Fort William.*

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Those civil servants who are invested with powers of magistracy, or attached to the judicial department in any ministerial capacity, although bearing the denomination of merchants, factors or writers, are bound by law, and by the solemn obligation of an oath, to abstain from every commercial and mercantile pursuit; the mercantile title which they bear not only affords no description of their duty but is entirely at variance with it. . . . The civil servants of the East India Company, therefore, can no longer be considered as the agents of a commercial concern; they are, in fact, the ministers and officers of a powerful sovereign. . . . They are required to discharge the functions of magistrates, judges, ambassadors and governors of provinces. . . . Their duties are those of statesmen in every other part of the world, with no other characteristic differences than the obstacles opposed by an unfavourable climate, a foreign language, the peculiar usages and laws of India, and the manners of its inhabitants."

This was perhaps ignoring trade too completely; shutting out utterly China and the far East, but it still was largely true. At this college, then, it was intended to employ professors of ethics, jurisprudence, the law of nations, English law, classical literature, the modern languages of Europe, history, geography and the physical sciences. A good beginning was made with some able teachers of Oriental languages and laws; but the Company thought the plan too expensive, and the College of Fort William was reduced to little more than a seminary for the instruction of the Bengal civil ser-

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vants in the languages used in that Presidency. It was not long afterwards that the Company's East India College was begun in England at Haileybury.[1]

To Lord Wellesley's description of the Company's administration *in India* nothing need be, or can be, added. Enough to say that it was now there chiefly a great governing landlord; it managed its estates and administered to the affairs of its tenants and dependents. Its monopoly of trade was fast slipping from its hands in India. It could not hope to hold it much longer. Yet to China and the tea trade it was to cling passionately for another generation. It has even been said, but with infinite exaggeration, that the corner-stone of the Company's first greatness was tea. Certainly it was now freely admitted that tea was the financial prop of the Company.

But the Company's service and servants had not everywhere changed to a new and less strenuous or interesting type. Even in India there were chances for the adventurous; there were many more such chances in the far East.

Amboyna, which had been given back to Holland, or rather to Holland's master, Napoleon, by the treaty of Amiens, came again to figure in the Company's ledgers in 1810. In that year a small flotilla of the Company's armed vessels and a small military force from the Company's Madras Euro-

[1] Reverend T. R. Malthus, *Statement respecting the East India College*, etc. Marquis Wellesley, *Minute relative to the College of Fort William.* Thomas Roebuck, captain in the Madras N.I., *Annals of the College of Fort William*, etc., Calcutta, 1819.

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SIR STAMFORD RAFFLES.

From the Painting by G. F. Joseph, A.R.A., in the National Portrait Gallery.

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pean regiment on the 16th February stormed the principal batteries, which on the following day surrendered to the British, although defended by 13,000 men and much artillery. In the course of the month the whole of the group called the Banda Isles, so productive in nutmegs and associated with the earliest expeditions of the Company, in Elizabeth's and James's reigns, submitted to the English.

The old Spice Island conquests and conquerors were still further recalled in some of the achievements of the Company's decline, particularly the reduction of Java and the Dutch settlements in Sumatra. The honour of suggesting and directing the great project belongs not to any British soldier or statesman, but to Stamford Raffles, one of the last of that fast-dwindling band of daring traders produced by the East India Company. Lord Minto himself accompanied the expedition. When his naval and military officers were in doubt how to proceed, Raffles showed the way, "staking his reputation on the success which would attend it". Batavia, the capital, to which the Dutch had given the proud title of "Queen of the East," was surrendered on the 8th of August by the burghers, the garrison having retreated to Weltevreeden. Bloody battles followed, but the Dutch were routed and Java was taken. Thus wrote Lord Minto triumphantly to the Company: "An empire, which for two centuries has contributed greatly to the power, prosperity and grandeur of one of the principal and most respected states in Europe, has been thus wrested from the short usurpation of the French

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Government, has been added to the dominion of the British Crown, and converted from a seat of hostile machination and commercial competition into an augmentation of British power and prosperity". "It is, in fact," declared Raffles, "the other India." Under the title of Lieutenant-Governor of Java and its dependencies, Raffles was appointed to preside over this new empire, "as an acknowledgment of the services he had rendered and in consideration of his peculiar fitness for the office".[1]

But the daring merchant adventurer could little dream how brief was to be the British occupation; that a complaisant British Government was soon to hand back these splendid conquests to the Company's hereditary trade rivals, the Dutch. Here also the reader may detect a parallel to the Crown proceedings in the old days.

A recent immunity from wars in India and the consequent prosperity of the Company, the rich conquests in the Spice Islands, these compared with the stagnation and disorganisation at home, joined to the prospect of war with America, made the mercantile interests of the kingdom turn all the more eagerly to the hope of sharing in the trade of the East. Each time the Company had applied to Parliament for a renewal of its charter there had been heard the same jealous outcry against a continuance of its monopoly. As the twenty-year period again drew to a close, the outcry was more than usually ominous. The Ministry could hardly hope to resist it. On the 22nd

[1] *Memoir of the Life and Public Services of Sir Thomas Stamford Raffles*, by his widow.

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February, 1813, the Company presented a petition to Parliament declaring that without its commercial privileges it could not maintain its political privileges or territorial possessions; that its commercial monopoly was "but an instrument for political purposes".

But Lord Liverpool had already resolved on a modification of the Company's privileges. Before the session closed, a bill was carried through both Houses. The trade with India (but not with China) was thrown open in ships of a given tonnage, under licence from the Court of Directors, on whose refusal to grant such licence an appeal lay to the Board of Control. The resort of individuals to India for commercial or other purposes was put under similar regulations. It was enacted that the Company's accounts should be kept under the two separate heads of "territory" and "commerce". A general authority was given to government, through the Board of Control, over the appropriation of the territorial revenues and the surplus commercial profits which might remain, after a strict observance of the appropriation clauses and the claims of the Company's creditors. Henceforward no Governor-General, Governor or Commander-in-Chief was to be appointed to the Company without the approval of the Crown; and no suspended or dismissed servant of the Company was to be restored without the consent of the Board of Control. The bounty of the Court of Directors was also restricted, it being laid down that in the bestowal of any sum exceeding £600 the concurrence of the Board of Control was indispensable. Moreover, the Board of Control was to hold and

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exercise authority over the Company's college and seminary in England.

The effect of such regulation was manifest, and thus we behold the Company entering upon a new period of divided authority. As it had already shared its political power with the Crown, so it now parted with a share of authority over its commerce, expenditure and general profits.

Naturally, during the debates in Parliament on the new charter, the great question of the propagation of Christianity in India figured prominently. The appointment of missionaries to be salaried by the State was one of the matters upon which the Company and the nation seriously differed. The Company was against such a proceeding, and in spite of the numerous petitions which poured in upon Parliament, its views and those of nearly the whole of its servants in India were respected. But at this time an Anglican hierarchy was set up for the increasing numbers of English in India, headed by a Bishop of Calcutta and three archdeacons to superintend the chaplains of the Presidencies and the other settlements. This was certainly a far better plan than for a handful of imprudent missionaries to be scattered over the country, prone to occasion as much and even greater harm than they have succeeded in wreaking upon European interests in China. It was pointed out by a Scotch member that, although the majority of British residents in Hindustan were Scotchmen and Presbyterians, no provision had been made for their public worship as such. He therefore proposed a clause "for the

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appointment of three superior Scotch clergymen, one at each Presidency, with a salary of £1,000 each". The proposition was rejected. At a later discussion, however, it was announced that that "godless corporation," the East India Company had arranged to maintain certain ministers of the Scottish Kirk *at its own expense.*

In India the Marquis of Hastings now entered upon the long Nepaul war, which gave considerable trepidation to the Company, as it could not quite perceive how the funds for such a campaign were to be raised without further damaging its revenues. In his need for funds the Governor-General adopted Warren Hastings' plan. The Nawab of Oudh died in 1814: two of his sons claimed the musnud, one of whom was ready to pay over to the Company's account two crores of rupees, or above £2,000,000 sterling. His bid was successful; he ascended the throne, and the money went to vanquish the Nepaulese.

Nor was this the only piece of good fortune which befell Lord Hastings and the Company. When money was urgently required in 1816 to defend the frontiers of the Company against the Pindarrees, and to provide for the contingency of a fresh war with the Mahrattas, at that juncture the celebrated old Fyzabad Begum, whom Warren Hastings had "squeezed," and over whom so many tears had been shed in England, died worth fifty-six lakhs of rupees. "As she could not take her beloved money with her, she bequeathed it to the Honourable Company, on the condition of its providing annuities for

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her friends and dependents equivalent to the interest at the rate of 6 per cent. per annum." The rate was then a moderate one, the annuitants would die, and meanwhile the Company had its fifty odd lakhs of rupees.

By political despatch to Madras, dated 20th November, 1816, the Court of Directors confirmed the instrument, dated 23rd July, 1816, conferring special privileges on the firm of Palmer, bankers of Hyderabad. Finding that this firm were engaging in pecuniary transactions with the Nizam, the Court, by political despatch to India, dated 24th May, 1820, cancelled the concession. When the firm afterwards appealed to Leadenhall Street to obtain payment of sums due to them by the Nizam, the Company directed the Resident "to submit to the Nizam the justice and propriety of fulfilling his obligations, but they would not depart from their rule never to allow interference in pecuniary transactions between Europeans and native princes".

The limited encroachment made in 1813 by the Government on the Company's commercial monopoly was far from satisfying the country. The disbandment following Waterloo found England in a fearful state of mercantile and industrial disorganisation. The advocates of free trade were tireless; they declared that the Company's monopoly of the China trade was injurious to British commerce. In 1820 Committees of Parliament were nominated to inquire into the foreign trade of the nation, and to deliberate on the means of extending it. In May of that year Canning, President of the Board

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of Control, suggested to the Company the establishment of an *entrepôt* in the Eastern archipelago, where British ships might take in tea for foreign Europe; and he pointed out the expediency of the Company's allotting a portion of their tonnage to China to the free use of the British public. The Court of Directors replied, that without the monopoly of the China trade the Company could neither preserve its territories in India nor pay its dividends in England. It declined being party to any change in the China trade.

The Committee of the Commons, in their report of July, 1821, while stating "that they could not concur in all apprehensions entertained by the Company of the consequences of even a partial relaxation of their monopoly," at the same time "acknowledged that the Chinese monopoly was of the utmost importance to the prosperity of the Company, and of all connected with it".

Yet concessions to the outcry of the free traders and political economists were inevitable. In the following year British ships were permitted to carry on trade between all parts within the limits of the charter, and all ports, whether in Europe or elsewhere, belonging to countries in amity with Great Britain. The Company also consented to relinquish the restriction as to the tonnage of ships engaged in the India trade. The China trade still continued a monopoly, for there was a general impression that it would be "difficult for any body of men, less organised and experienced than the Company, to carry on a trade with so strange a people as the

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Chinese, without constantly being involved in quarrels". Nevertheless, for the next few years the Company's trading privileges in Great Britain were a constant topic in and out of Parliament, and the result was even then clearly foreshadowed.

At the same time we must observe that the friction between the Company and the Crown, or rather the Ministry, had tended yearly to diminish. A proof of this was offered when in 1818 the office of Governor of Bombay became vacant by the resignation of Sir Evan Nepean. George Canning courteously intimated to the Court of Directors his readiness to confirm the selection of one of those eminent servants of the Company who had so highly distinguished themselves. The Directors appreciated this mark of confidence and made choice of the Hon. Mountstuart Elphinstone, who was nominated Governor of Bombay in October, 1818.[1]

More amenities followed. When the time came for the Court of Directors to choose a successor to the Marquis of Hastings in March, 1822, the post was graciously offered to George Canning. That statesman accepted it, but the tragic end of the Marquess of Londonderry threw the Ministry into disorder. Canning became Foreign Secretary and was obliged to return the flattering appointment of the Company. Lord Amherst was then chosen.

It was while Canning was at the Board of Control that the nominal barrier which separated King's

[1] Auber, *Rise and Progress of the British Power in India.*

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from Company's troops was further broken down. Prior to 1818 military officers holding the Company's commission had been excluded from the chief honours of their profession. This had long been regarded as unfair: in the previous year the Prince Regent decided to enlarge the Order of the Bath, and was pleased to direct that fifteen of the most distinguished officers of the Company's service might be raised to the dignity of Knights Commanders of the Bath, and that certain other officers of the Company should be eligible to be Knights Companions.

After the Mahratta war Sir David Ochterlony was selected for the honour of Knight Grand Cross of the Bath; Lord Hastings himself performed the ceremony in camp, at Terwah, on the 20th March, 1818. "Sir David Ochterlony," said he to the recipient, "you have obliterated a distinction painful for the officers of the Honourable Company, and you have opened the doors for your brothers in arms to a reward which their recent display of exalted spirit and invincible intrepidity proves could not be more deservedly extended to the officers of any army on earth." The Company's had long been the best paid service in the world.

During Lord Amherst's *régime* occurred the first Burmese war, which caused a great strain upon the Company's finances. To show how little the Company or even the British Government had now to do with wars in India, we may remark that, although both had been ardent for peace, nearly the whole of Amherst's administration had been signalised by wars, the effective fighting force in India was kept

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up to the enormous number of 274,000 men, and the registered debt of India reached £13,000,000 sterling.

On the 17th March, 1824, a treaty was concluded with the Netherlands Government by which the island of Sumatra was ceded to Holland, and Malacca, etc., to England; the contracting parties further agreed to repress piracy and to place their respective subjects in the Eastern Archipelago, India and Ceylon on the footing of "the most favoured nation". Two years later Arraran and Zenasserim were ceded to the Company by treaty dated 24th February, 1826.

In 1827, during Lord Amherst's visit to Delhi, it was reported to the Company that an understanding had been arrived at concerning the future relations of the British Government in India and the fallen majesty of the great Moguls. The days of the fiction that our Governor-General was but the vassal of the King of Delhi now terminated, and by an open assertion of sovereignty an end was thus put to an embarrassing anomaly. There was little prestige to be derived from the name or authority of so discredited a prince, and one so weak in intellect as the Mogul, who as joyfully as the Nawab of Bengal had resigned the Dewani in 1765 now resigned a shadowy suzerainty in return for substantial cash.

True, when the additional cash was not forthcoming the descendant of Aurangzeb angrily sent an ambassador to King George IV. of England. This ambassador or agent, Rammohun Roy, was courteously received by the Company, but as his

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mission had not been communicated to the Governor-General, his character was unrecognised by the British Government and his mission ended in failure. Rammohun himself fell ill and died at Bristol in 1833.

Ever since the abrogation of its trading monopoly in 1813, the Company had resolved to put its Indian establishment on a more economical footing. But the subsequent wars and unrest had induced the Governors-General continually to postpone putting the Company's injunction on this head into practice. At last a debt of £13,000,000 alarmed the Company, and when Lord William Bentinck set out for India in 1828 his understanding with the authorities at the India House was that this time their orders were to be obeyed. It could hardly fail to be a thankless task, and to render the Company more unpopular than ever with its military servants, but nevertheless its system of economy was forthwith introduced in the various Departments of Government. The sundry allowances made to the army under the head of batta and half-batta were abolished. Whether the saving in rupees was worth the loss in morale was then freely discussed, but those who opposed it on the ground that "the Company and the British Empire in India were not to be saved by means of petty savings" wholly misunderstood the essential nature of the Company's tenure. The Company was a corporation managing India, as it had formerly traded with India, for a profit. Aurangzeb and his successors had all managed India for a profit: their profit had been

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great and India had been ill-managed. It had gone to decay and been dismembered. If the British name was "tarnished" by the Company's practice of economy, then it was high time the efficient Company was shouldered aside for an inefficient and extravagant—and valorous—British Government.

In 1829 the naval force of the East Indies, which was constituted under royal charter in the reigns of Charles II. and James II., and designated the "Bombay Marine," was styled the "Indian Navy". It was called by that name till in November, 1862, it was abolished as a war service and reverted to its ancient name of the "Bombay Marine". Up to the date of its abolition, the service—a popular and well paid one—was supported entirely by the Company. Afterwards India contributed £70,000 per annum towards the cost of the Royal Navy vessels of the Indian squadron, three of which were always in the Persian Gulf and three in the Bay of Bengal, and elsewhere.

The Company's charter was to expire in 1834. We have already seen that its commercial monopoly of India had been abrogated since 1813, and although it still traded on a limited scale in silk and saltpetre, the total value of its exports to India was so slight as to be scarce worth the reckoning. As a merchant in India therefore the Company had now all but dropped out of the bidding—"the trade," we are told, "had fallen entirely into the hands of the manufacturers and merchants of Great Britain, who now looked with confidence to a like transfer of the traffic with China to free mercantile competition".

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It may be said to have mattered little to the Company whether its profits came from territorial revenues or from trade. Its huge capital expenditure, its historic and strenuous connection with the country which it had added to the Empire merited reward, and this had taken the shape as of prescription of an annual dividend of 10½ per cent. The British nation was not enlightened as to the source of the pecuniary well-spring: one party did not hesitate to allege that it was the very life-blood of India, that the Company's commerce was a failure. The Company was itself but ill-informed as to the exactitude of its own joint accounts of land and commerce, but it stoutly denied such a preposterous charge. It held that its Chinese commercial monopoly was India's great boon, inasmuch as the profits on tea and opium paid the cost of the Indian administration.

The prime issues between the nation and the Company at the beginning of the second quarter of the nineteenth century were narrowed down to two only: "the continuance or the cessation of the Company's exclusive trade with China—the continuance or cessation of the Company's administration of the government of India". The popular view which found expression at Liverpool and Manchester, Birmingham and Sheffield, was that it was quite inconceivable that China, considering its wealth, its huge size and population and its inferior manufactures should offer such a poor market for their produce. No other country seemed then to present to Europe such a field as the vast and opulent Empire of China. The attack upon the Company's exclusive

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privileges went steadily on until in May, 1827, when Canning was at the Treasury, Mr. Whitmore moved in the Commons for the appointment of a Select Committee to inquire into the trade between Great Britain and the East. Whitmore did not hesitate to recommend the entire dissolution of the "China monopoly". Canning was to a great extent a free-trader; a large section of his present supporters were declared antagonists to monopolies and restrictions of all kinds; and his colonial secretary, Huskisson, was a leader and oracle of the free-traders and political economists. Yet Whitmore's motion was firmly opposed, on the ground that the proper time was approaching for reconsidering the whole of the Company's charter and system of trade. Canning died in the month of August; the Goderich Cabinet fell to pieces in a very few months; Huskisson and his friends of the free-trade school resigned; and in January, 1828, the Duke of Wellington became Prime Minister.

On the 12th May, 1829, Huskisson, in presenting a petition from the Liverpool merchants, prayed for the removal of all restrictions of the trade with India and China, stating "that it was humiliating to pride and good sense that the English should be excluded in traffic with China".

In February, 1830, Lord Ellenborough moved for the appointment of a Select Committee of the House of Lords to inquire into the present state of the affairs of the East India Company, and the trade between Great Britain, the East Indies and China. His lordship said that the Company had afforded

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all the aid in its power to increase the facilities given to the external and internal trade of India; that the most important questions for Parliament now to decide were: 1st. Whether it would be possible to conduct the Government of India, directly or indirectly, without the assistance of the Company? 2nd. Whether the assistance of the Company should be afforded in the manner in which it had hitherto been afforded or in some other way?

On the same day Sir Robert Peel moved in the Commons for a Committee for the same purpose, stating that he proposed its appointment with the plain and honest view of having a full and unreserved investigation of the affairs of the Company, and not for the purpose of ratifying any charter or engagement previously existing between the Government and the Company. Committees were therefore appointed by both Houses, and the Company duly tendered its evidence.

But the reports were little favourable to the merchant adventurers of Leadenhall Street. That from the Commons stated that it had been rendered impossible for the Committee to separate questions so interwoven in the Company's system as those of trade and finance. The opponents of the Company knew that if they could succeed in proving that the alleged advantages derived from the China trade were without foundation, not only all plea for a continuance of the exclusive privilege could be set aside, but that the pecuniary claims advanced by the Company would also be rendered untenable. They accordingly contended that, so far from the profits of the

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Company's trade having paid the dividend on its capital stock and the interest on the bond debt and likewise afforded aid to the Indian finances, all deficiency had been supplied from the territorial revenue; they roundly asserted that the Company had, in point of fact, no commercial capital whatever. In support of these views it was also attempted to be shown that the Company had acted illegally in fixing the upset price of tea at its sales, and thereby forfeited its exclusive privilege and rendered itself liable to penalties for a breach of the law.

The evidence adduced by the Company on these points proved beyond doubt that in regard to the upset price of tea it had acted in strict accordance with the law; that the calculations in support of an opposite view were utterly fallacious; and that the assertion of the Company's commerce having derived aid from the territorial revenue was not only at direct variance with the opinion of the Committee of the House of Commons on the Foreign Trade in 1821, but was likewise diametrically opposed to the results of all the accounts laid before Parliament since 1814, by which it was clearly shown that the Indian revenues had fallen short of the territorial charges.

Certainly, the Company's trade with China had been established under many difficulties and at considerable cost. It was the care and influence of the Company that secured for Britain the benefits of the tea trade, and the establishment in behalf of the Company with the native Government of an influence paramount to that of any other nation in the world. Many instances of the Company's bounty

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in connection with this trade might be furnished; one will suffice. The celebrated Dr. Morrison spent the greater part of five years in compiling and presenting to the Company a Chinese and English dictionary, hoping it would promote the acquisition of the native language among the Company's representatives, and establish a better acquaintance between the English and the Chinese. Sir George Staunton undertook at the instance of the Select Committee at the Canton factory to superintend the work. But in spite of different manœuvres adopted in order not to give offence, the suspicions of the Chinese were awakened, and the progress of the work interrupted for a time. In 1816 the first part reached England, the second part in 1817, and the whole was not completed until 1824, at a cost to the Company of upwards of £9,000. The Court permitted the press to remain at Macao, where it had been first set up, and translations and other works were printed. Great care was taken that this first Anglo-Chinese press was never used for political purposes. To the merits of Dr. Morrison during his residence at Canton was thus given the strongest testimony by the Company.

The average annual profits on the China trade between 1815 and 1829, a period of fifteen years, were over £1,000,000 a year, the total being £15,414,000. Yet the profits of the China trade were insufficient to defray the interest on the home-bonded debt and annual dividends. It was afterwards ascertained by Mr. Pennington, the accountant employed to revise the Company's accounts, that the

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profit accruing to its entire commercial transactions in the fifteen years was £20,488,000.

By the Company's calculation its total assets on the 1st May, 1829, exceeded £21,000,000 sterling.[1]

The value of the property in India had been estimated by the Indian Minister in 1793 at £250,000 per annum, which, at twenty years' purchase, was equivalent to £5,000,000, the Company's right to which property had been distinctly recognised and reserved in the several Acts by which the term of the Company's privileges had been renewed.[2]

Thus from a total worth of £68,373 in 1600, the Company had persisted through good and evil times, until now, in the times most evil of all for monopolies, it stood forth as the owner of above

[1] *Viz.*:—

Cash at home and abroad and property in the public funds	£2,186,000
Property afloat and freight	3,532,000
Debts due to the Company at home and abroad	2,227,000
Goods and merchandise at home and abroad	7,384,000
Buildings and dead stock	1,468,000
East India annuities	1,208,000
Due from territory	4,632,000
	£22,637,000
Deduct debts	1,534,000
	£21,103,000
Deduct as questionable:—	
Due by territory	4,632,000
Bond debts	3,796,000
	£8,428,000
Net assets	£12,675,000

[2] Letter of the Court, 27th February, 1833.

twenty millions. True, much of this would be challenged; but of the indisputable balance of the net assets (£12,675,000) above £11,000,000 were realised and applied between 1834-5 and 1839-40 to the general expenses of the Indian territory.

We speak now in fiscal phrase: the twenty millions represented only the Ledger aspect. The Company's conquest of, its sovereignty over "a territory larger and more populous than France, Spain, Italy and Germany put together," was not in any way to be represented by pounds sterling.

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CHAPTER XIII.

The Doom of the Ledger.

On the 26th of June, 1830, George IV. died. A month later Parliament was prorogued and subsequently dissolved. Before the new Parliament could assemble, the Duke of Wellington, as Prime Minister, recognising that legislative action in the affairs of the Company had now been rendered a matter of political necessity, resolved to have a personal conference at Apsley House with the leaders of the merchant adventurers of Leadenhall Street.

On the 12th of October the chairman and deputy-chairman were received by the Duke, who was in company of Lord Ellenborough. There was something in this conference to suggest that which had happened a century and a quarter before between the official heads of the Company and William III., just at the opposite extremity of the vast expanse of the Park of Hyde. The Iron Duke now, as the Dutch King then, lost little time in formalities. He acquainted his visitors that the period for notice to the Company of the termination of its exclusive privileges had arrived. He had sent for them in order to ascertain what the Company's views would be should His Majesty's Ministers decide upon continuing the Company in its Indian administration, but depriving it of its Chinese commercial monopoly.

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The office of Sir Thomas Cooke in 1700 had passed in 1830 to William Astell.[1] Addressing the Duke informally, the Company's chairman said he and his colleague were satisfied that the Company had no views with respect to the governments of India beyond that of being a useful instrument in the execution of an important national trust, and that it would not be indisposed to continue its services to the public provided the requisite means were ensured to it, by which it might be able to administer the government consistently with its own character and for the benefit of this country and of India. That, financially speaking, there was a large annual deficit, which was met principally through the China trade. There was the question also of remittance. Under the existing system the Indian territory had access to all the commercial capital of the Company, which assistance the Company had been willing to afford so long as this trade had yielded a dividend of 10½ per cent. Under any contemplated change the Court of Directors would feel it their duty to secure the interests and property of their constituents, who, it could hardly be expected, would consent to any portion of their capital remaining at hazard without ample guarantee and security.

In reply, both the Duke and Lord Ellenborough bluntly revealed their official sentiments. These sentiments were not only held by the Government,

[1] Astell was an old and distinguished director. He first became a member in 1807: he figures as deputy in 1809, as chairman in 1810, and again in 1824, 1828 and 1830. He died in 1847.

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but seemed to have been general throughout the nation at the time. In effect, the chairman and deputy-chairman were told that the Company had full security for its capital stock and for the prevailing dividend in the commercial assets and in the value of a fixed property in India, which might be judged to appertain to the Company in its commercial capacity.

The duke and his visitors separated, the latter promising to confer with the Secret Committee of Directors. A week later this committee wrote to the Prime Minister that they were far from offering any objection to an early and a full consideration of the general question, but they had not anticipated being called upon within fourteen days of the meeting of Parliament for an opinion upon a supposed plan; nor did the committee see the necessity of connecting the notice by Parliament with any mention of the King's speech at the opening of the session, when such notice was to be given. In 1792 only a few months elapsed between its being noticed from the throne and the renewal; in 1813 only one year, although the negotiations had commenced in 1808. They then expressed sentiments in full accordance with those stated by the chairman at Apsley House, and their readiness to enter fully into the question whenever His Majesty's Ministers should see fit to submit any specific proposition for a future arrangement between the public and the Company. The new Parliament met on the 26th of October; on the 15th of November the Ministry was broken up, and on the 22nd Earl Grey was gazetted as Prime

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WILLIAM ASTELL,

CHAIRMAN OF THE EAST INDIA COMPANY.

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Minister. The Right Honourable Charles Grant (Lord Glenelg) succeeded Lord Ellenborough as head of the Board of Control. This gentleman and his family had been closely connected with the Company, and had owed much to the Indian service; but these considerations did not prevent the newly appointed President of the Board of Control from going along with his official colleagues. As President of the Board of Control, he moved, on the 4th of February, 1831, for the re-appointment of the committee on East India affairs. This committee, however, was scarcely appointed ere Parliament was dissolved. The new Parliament assembled on the 14th of June, and, losing no time, Mr. Grant, on the 28th, moved again for the renewal of the committee.

At the same time, the Company's conduct in not having petitioned for a renewal of its charter was a subject for criticism. But the Court of Directors were convinced that their most prudent course was to abstain from petitioning Parliament, leaving it to the Company's opponents to make out their case, which when so made out they might duly meet and controvert. At the same time they afforded every facility for the investigators into the conduct of the Company. Far from opposing those who professed themselves desirous to elicit the truth, the Court of Directors "had invariably expressed a desire to afford the most ample information, both oral and documentary"; at the same time, apprehending evil from delay, they strongly urged the necessity of having the views of His Majesty's Government made known to them at the earliest possible moment.

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One fact was now obvious. The Company's adversaries had promised to prove that its revenues and not its commerce had yielded the means of paying the dividends and commercial charges, and that it was in a conspiracy to advance arbitrarily the price of tea so that it became a grievous tax upon the nation. They had signally failed to redeem this promise. In the meantime the table of the House of Commons had been loaded with petitions, from merchants and others, against the renewal of the Company's charter upon its former terms. Thomas Langton, a merchant of Liverpool, decidedly impugned the general integrity of the Company's accounts. "This," adds an official of the Court of Directors, "was, in fact, the only remaining point; and had it been proved vulnerable, the public might have proposed their own terms, and have placed the Company at the entire mercy of Parliament, without any apparent plea of justice to rest upon in support of the interests of the proprietors." This gentleman professed to have gone into the accounts, and as a consequence of his labours he made to the Committee the following startling statement:—

That the whole debt in India at the close of 1780, as well that owing before the acquisition of the territory as that taken from the revenues beyond the amount of disposable surplus replaced by loan, must be considered as a commercial debt: and if, from that time to the close of 1828, India had been relieved from the payment of the interest on that debt, all other receipts and payments remaining the same, the country would have been upwards of

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£52,000,000 richer, that it would not have a shilling of debt, and would have had £10,000,000 more in its coffers!

As to the Company's accounts, Langton did not hesitate to say that to him they were so unintelligible and contradictory that in preparing them the Company had been guilty of "either ignorance or bad faith".

The Company met the charge calmly. In the first place the attempt to prove the Indian debt as a debt created for commercial purposes was altogether contrary to the repeated declarations in Parliament in 1793, 1811-1812, 1813. Parliamentary committees had previously gone into the matter and formerly recorded their opinion, which Langton had not consulted. He had besides utterly ignored the various political causes which had originated and increased the political debt in India. Langton failed in convincing the House that he had made out his case. The session terminated on the 20th of October. On the 27th of January, 1832, the President of the Board of Control, still the Right Honourable Charles Grant, moved for the re-appointment of the Select Committee.

A general committee on the affairs of the East India Company being appointed, it was divided into six sub-committees: 1. Public; 2. Finance, Accounts and Trade; 3. Revenue; 4. Judicial; 5. Military; 6. Political. Their labours terminated in August, 1832, when the several reports were all laid down before the House and ordered to be printed.

The Liverpool gentleman's insinuations concern-

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ing the financial account of the Company had borne fruit. An independent professional accountant was engaged. He knew nothing of Indian accounts. He spent seven months in a close scrutiny at the East India House. His report was that territory had gained since 1793, as a result of the gradual accumulation of commercial profit, several millions sterling, together with the increase of subscribed capital at that time authorised.

In the report of the Parliamentary Committee regarding the financial operations of the Company they stated :—

"The finances of India have derived advantage from their existing connection with the commerce of the Company : through the direct application of surplus commercial profit, and by the rates of exchange at which the Board of Control decided that the territorial advances from commerce in England should be repaid to commerce in India."

It was now high time for the Company to open negotiations with His Majesty's Government respecting the charter. The Court of Directors sent their chairman and deputy-chairman to confer with Earl Grey and Mr. Grant. A long interview took place relating to a paper containing twenty-nine propositions which was read out by the Prime Minister's colleague on this occasion. These propositions, which were to be the basis of a bill, were duly submitted to the Court. Briefly, it may be said that the first eight related to the cessation of trade, the surrender to the Crown of all the Company's assets, commercial and territorial, with all its

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rights and possessions, for an annuity of £630,000, which was to be paid to them as a joint stock company. The next eleven concerned patronage and the continuance of the East India College. The free resort of British subjects to India and the future powers of the Board of Control formed the subjects of the remainder. By the measure which the Government was resolved to introduce the East India Company would cease to trade, and thereafter devote its undivided attention to the arduous duties of governing in conjunction with the Board of Control our Empire in the East. With respect to the competency of India to answer all just demands on her exchequer, Mr. Grant said that no rational doubt could exist. A revenue which had been steadily progressing during the last twenty years, which had now reached the annual amount of £22,000,000 sterling, and which promised still to increase; a territory almost unlimited in extent; a soil, rich and fertile, and suited to every kind of produce; great resources not yet explored; a people, generally speaking, patient, laborious, improving, and evincing both the desire and capacity of further improvement; these, Mr. Grant thought, "were sufficient pledges that our treasury in the East, under wise management, would be more than adequate to meet the current expenditure".[1] True, such a proposition "involved a surrender, but it

[1] Peter Auber, *Rise and Progress of the British Power in India.* The contemporary reports filled more than 8,000 pages of close print. These with the matter previously given to Parliament made an aggregate of about 14,000 closely printed pages.

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also involved an equivalent". The Ministry were perfectly frank in the matter. The Company could accept or reject its terms, but if they were rejected a detailed and injurious inquiry would certainly follow. In the interval the charter would expire, the China monopoly would terminate and the Company would find itself in a quandary. The Company saw nothing for it but compromise, however little it professed to dread the keenest scrutiny into its accounts. At the outset, therefore, it contended for some guarantee or some collateral security for the payment of the dividends, and ultimately (if necessary) for the capital, to the holders of East India shares. The Duke of Wellington and Lord Ellenborough had told the chairman of the Court, in 1830, that the proprietors had full security for their dividends and capital in the commercial assets and in the fixed property in India, which might be deemed to appertain to the Company in its trading capacity. Now Mr. Grant assured the Court that His Majesty's Government was willing and anxious to fortify the interests of the proprietors by a collateral security in the shape of a sinking fund, formed by the investment of a portion of the commercial assets in the national stocks. The minister proposed, as a sufficient sum, £1,200,000.

Nevertheless, the Court asked for further explanations, to which, they said, the Company as a body thought it was entitled.

Here we are, said the directors, called upon to surrender everything we possess as a corporation, our capital computed at more than £21,000,000

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sterling, every item of which was commercial in its origin and present character; our right to trade, most valuable when considered in connection with that capital, and with the position which the Company had established here and abroad, and which right, if we chose to exercise it, would greatly interfere with, if not altogether prevent, the advantages which private merchants expected to reap from a free trade with China; our pecuniary claims, some sanctioned by a committee of Parliament both in principle and amount, and all recognised either by Parliament, or in Parliament by Ministerial statements; our lands, forts and factories in India, for which we contended they had as good a title as that by which any property is held; and, finally, our claims in respect to the territory at large, which Parliament has always reserved.

They went on to say that the right of the Company had been questioned, but that the Court was satisfied as to the validity of its claims, although by no means unaware of the difficulty of realising and possessing them, were the King's Government antagonistic to the Company. They demanded that the sinking fund, or guarantee fund, should be at least £2,000,000 sterling. The Court of Directors could not give their assent to the plan of Ministers without the sanction of the Court of Proprietors. "Two or three years earlier," as was justly said, "such a sanction could scarcely have been hoped for, and the motion for it would have called together all the proprietors that were not bedridden or out of the country."

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But the public opinion and the voice of the Ministers had spoken only too plainly. It was futile to make an outcry against extortion, tyranny and monstrous injustice. The merchant spoke as loudly and as eloquently for his rights in 1833 as the soldier had done in 1784, but in vain. Earl Grey was as obdurate now as Pitt was then. No fewer than nine stormy meetings were held to discuss a resolution submitted by Sir John Malcolm, in which it was observed that "on reviewing the intimate connection which has so long subsisted between India and the Company, this Court desire to record their conviction that the Company can have no other object in undertaking to administer the territorial government for a further term than the advancement of the happiness and prosperity of our native subjects; and that if Parliament in its wisdom should consider, as His Majesty's Ministers have declared, that that great object may be best promoted by continuing the administration in the hands of the Company, having, through the Court of Directors, suggested, as it was their duty to do, the difficulties and dangers, political as well as financial, which beset the dissolution of the connection between the territorial and the commercial branches of their affairs, they will not shrink from the undertaking, even at the sacrifices required, provided that powers be reserved to enable the Company efficiently to administer the government, and that their pecuniary rights and claims be adjusted upon the principle of fair and liberal compromise".

On the 3rd of May, 1833, it was decided in a

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General Court by 477 votes, against a minority of 52, that, provided the guarantee fund were raised to £2,000,000 and some other money conditions complied with, the plan of Ministers should be accepted, and the Company cease to be a trading company.

Thus was this great question involving commercial property of over twenty millions, together with territorial possessions, forts and factories, answered by the generality, barely a fourth part of the proprietors voting, and, adds the Company's secretary, "little beyond a third part of the number who voted in favour of a candidate for the direction!"

On the 27th of May Mr. Grant expressed the satisfaction with which His Majesty's Government had learned the termination of the appeal to the ballot in Leadenhall Street. He stated it to be the anxious wish of Ministers to accommodate themselves, as far as possible, to the views and feelings of the Company, and he agreed to increase the guarantee fund to £2,000,000. The Company, moreover, was to administer the government of India for a defined period of five years, exercising the same powers that it had possessed under its charter. The fears of the Court of Directors that the Government, through the Board of Control, intended to claim and exercise a veto on the recall of Governors-General, proved to be ill-grounded.

It was observed that if the power of recall, which had been rarely exercised, should be withdrawn, the public functionaries abroad might set at nought the authority of the Court and hold it in contempt. A Governor might be lavish in public expenditure;

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might think only of providing for his own dependents or those of the Ministry; might be indolent and inactive, or arbitrary and capricious in the exercise of his powers; and notwithstanding these and other defects of character and conduct he would retain firm possession of his station as long as he should succeed in propitiating the Minister of the day, who might be interested in his continuance in office, and even derive influence and advantage from his maladministration.

The power of recall, Mr. Grant assured them, was left undisturbed in the hands of the Company. Nevertheless, while acknowledging with satisfaction the concessions which had been made, a number of the directors, led by the chairman and deputy-chairman, pressed two other points on the Government: one that the guarantee fund should be increased to £3,000,000 and the other causing Parliament to be informed whenever a difference occurred between the Board of Control and the Court of Directors, subsequent to the despatch of orders to India. The Company had asserted, with some show of reason, that its weight and influence at home had been chiefly derived from its commercial character, and the loss of its commerce would certainly diminish its prestige with the public and its authority with the Government. To such a degree would feebleness ensue that it would descend to being simply a convenient tool for carrying out the orders of the leader of the Board of Control, "whose sway would be almost absolute and neither subject to the check of the Company or the vigilance of Parliament".

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For this reason it was urged upon the Government that whenever a difference of opinion occurred between the Board and the Court an appeal should be had to Parliament.

The need for creating some provision for publicity in such differences of opinion between the Company and the Crown was not without much testimony about this period. Among other cases was a claim put forward on behalf of two native bankers, Manohur Das and Sital Buboo, who had establishments in the chief Indian cities. They declared that the Nawab of Oudh owed them a large sum of money for debts contracted by Asof-ad-Daulah in 1796. The Company absolutely declined to recognise such a debt, and after going fully into the subject the Board of Control supported the refusal. But a new Board had taken an altogether different view. It was shown that Lord Hastings, believing the demand was just in its origin, had virtually recommended the Nawab to settle the claim of the bankers. The Nawab positively refused and the government of the country did not therefore feel itself justified in any further attempts to compromise the matter. The Nawab of Oudh was wholly independent of control, and in this frame of mind the Company continued when, in 1832, it was called upon by the Board to adopt the draft of a despatch instructing the Council of Bengal to urge the Nawab to liquidate Asof-ad-Daulah's alleged debts. It twice declined to accede to this request, and so forced the President of the Board to adopt his favourite expedient of a writ of mandamus. But the change

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in the Company's home affairs caused the matter to be eventually abandoned. Another case, cited at length by Mill, is that of the Hodges claim, where a member of the Council of Masulipatam unwarrantably became the creditor of a native official in 1775. The Company annexed the securities before the debt was paid. It was afterwards made liable for the supposed debt, but the claim was held to be invalid and nothing more was heard of it until half a century later, when his grandson brought it before the House of Commons. A bill was passed through both Houses sanctioning the payment, and the Company was in consequence "compelled by the legislature to pay at the expense of the people of India a considerable sum, the claim for which originated at the distance of more than half a century in transactions of a highly questionable description".[1]

But in this point of an appeal to Parliament the leaders of the Company were not supported by the majority, nor by the Court of Proprietors, which met again on the 10th June.

But the end was not yet. Three days later Mr. Grant, in a committee of the whole House, brought before Parliament the subject of the Company's charter, and explained the proposed changes. The whole of the transaction was to be entirely free from

[1] There was the case, too, of Hutchinson *v.* the Rajah of Travancore. Hutchinson was in the Civil Service of the Company, and charged by them with the duty of purchasing investments of pepper and cloth from the Rajah. In this capacity he carried on private relations with the Rajah, lending him money at a high rate of interest, and selling and buying various articles which it was his business to provide for the Company's investments.

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the finances of England. It was proposed to establish a fourth government in the Western Provinces of India; to extend considerably the powers of the Governor-General; to appoint a Supreme Council of Legislature, with power to make laws and draw up a code for India; to define the jurisdiction of the Supreme Court; to render the Presidencies of Madras and Bombay still more subordinate to the Governor-General, and to reduce the Councils of those two Presidencies. On the 29th June a printed copy of the bill was submitted to the Court of Directors, who acquiesced generally, but offered some particular objections. They complained that the bill "placed the whole control in the Supreme Government, thereby not only interfering with the control exercised by the home authorities, but investing the Governor-General with a sway almost absolute, and rendering it scarcely possible always to select a fit person to be entrusted with authority of such magnitude".

"Three things," said Macaulay, in the course of a great speech in the House, "I take as proved—that the Crown must have a certain authority over India, that there must be an efficient check on the authority of the Crown, and that the House of Commons is not an efficient check. We must then find some other body to perform that important office. We have such a body—the Company. Shall we discard it?" He went on:—

"It is true that the power of the Company is an anomaly in politics. It is strange, very strange, that a joint stock society of traders; a society, the

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shares of which are daily passed from hand to hand; a society, the component parts of which are perpetually changing; a society which, judging *à priori* from its constitution, we should have said was as little fitted for imperial functions as the Merchant Taylors' Company or the New River Company, should be entrusted with the sovereignty of a larger population, the disposal of a larger clear revenue, the command of a larger army than are under the direct management of the Executive Government of the United Kingdom. But what constitution can we give to our Indian Empire which shall not be strange—which shall not be anomalous? That Empire is itself the strangest of all political anomalies.

"That a handful of adventurers from an island in the Atlantic should have subjugated a vast country divided from the place of their birth by half the globe; a country which at no very distant period was merely the subject of fable to the nations of Europe; a country never before violated by the most renowned of Western conquerors; a country which Trajan never entered; a country lying beyond the point where the phalanx of Alexander refused to proceed: that we should govern a territory 10,000 miles from us, a territory larger and more populous than France, Spain, Italy and Germany put together; a territory the present clear revenue of which exceeds the present clear revenue of any State in the world, France excepted; a territory inhabited by men differing from us in race, colour, language, manners, morals, religion: these are prodigies to which the world has seen nothing similar. Reason

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is confounded. We interrogate the past in vain. General rules are almost useless when the whole is one vast exception. The Company is an anomaly: but it is part of a system where everything is anomaly. It is the strangest of all Governments, but it is designed for the strangest of all Empires."

In Macaulay's opinion the whole question resolved itself into this: "If we discard the Company we must find a substitute," and that substitute not Crown and Parliament.

The Company held that there was no necessity for incurring the charge of a fourth Presidency; that the Councils of Madras and Bombay ought not to be reduced; and that it would be very unwise to deprive the commanders-in-chief of the armies of those two Presidencies of the seats in Council which had been usually allotted to them. The directors expressed their satisfaction that the bill reserved to them the necessary powers regarding the laws which the Supreme Council might enact affecting the natives and likewise the provincial courts, which laws were also to be subject to the King's approbation.

Lord Lansdowne brought the resolutions forward in the House of Lords on 5th July. He warmly deprecated, as Grant had done in the Commons, the habitual inattention of his hearers to a subject which had seldom found in them a willing audience, namely, the government of India.[1]

[1] Nothing in British political life is stranger than the apathy of Parliament towards Indian and Imperial matters, incredible, one would say, of a "great Imperial people"—if the British Empire were not such an anomaly and had it a less peculiar origin.

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Lord Ellenborough prophesied an unfavourable change in the future composition of the Courts of Proprietors and Directors, which, instead of being made up of "eminent English merchants and influential members of Society," would probably come to consist exclusively of persons connected with India who, owing to their prejudices, would be little calculated to promote the happiness of the people of both countries. The prophecy, however, was not fulfilled; the *personnel* of the Company continued down to its dissolution to be in character about the same as one hundred years previously.

Lord Ellenborough applauded the achievements of the Company's servants both in peace and in war, and doubted whether there was anything in the new *régime* which would produce such men or such deeds. After the Earl of Ripon had defended the ministerial plan the Duke of Wellington spoke. It was no longer necessary for him, as Prime Minister, to dissemble his sentiments towards the historic body. During his long residence in the country, and from what he had seen since in other countries, he believed that the government of India was one of the best and most purely administered governments that ever existed, and one which had provided most effectually for the happiness of the people over which it was placed. After saying that he would not follow the Marquis of Lansdowne into the question whether a chartered company were or were not the best means whereby to carry on the government or the trade of a great Empire like India, the Duke added; "But whenever I hear a discussion like this,

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I recall to my memory what I have seen in that country. I recall to my memory the history of British India for the last fifty or sixty years. I remember its days of misfortune and its days of glory, and call to my mind the proud situation in which it now stands! I remember that the Indian government has conducted the affairs of—I will not pretend to say how many millions of people, for they have been variously calculated at seventy, eighty, ninety and even one hundred millions, but certainly of an immense population—a population returning an annual revenue of £22,000,000 sterling; and that, notwithstanding all the wars in which that Empire has been engaged, its debt at this moment amounts only to £40,000,000, being not more than two years' revenue. I do not say that such a debt is desirable, but I do contend that it is a delusion on the people of this country to tell them it is a body unfit for government and unfit for trade which has administered the affairs of India with so much success for so many years!" After urging the necessity of supporting the power and influence of the Company, the Duke said: "Depend upon it, my lords, that upon the basis of their authority rests the good government of India". The Duke concluded by expressing his regret that the advice of the late Sir John Malcolm had not been followed, instituting an independent body in London to represent the interests of India.

The chairman and deputy-chairman had in their dissent from their resolution passed by the Court of Directors on the 12th August prophesied that the Company "would be converted into little else

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than a mere instrument for giving effect to acts of the Controlling Board". They declared that it would be far better if the Crown were openly and avowedly to assume the government of India instead of attempting "to maintain an intermediate body in deference to those constitutional principles which led to its original formation under parliamentary regulation, but which was deprived by the present measure of its authority, and rendered inefficient and converted into a mere useless charge upon the revenues of India".

As the historian of British India puts it, "if the commercial interests of the Empire demanded the discontinuance of the Company's mercantile character, those of India equally required the complete and final severance of the incongruous functions of sovereign and of merchant. . . . To most persons," he goes on to say, "it would have seemed to be the simpler and the honester process to have suffered the Company to realise and divide their capital, as far as their means extended, any surplus being applied as legally applicable to the discharge of the territorial debt."

But the ministry had recognised the great value of the Company's pecuniary interest in India. Without some such link, they said, there could be no greater propriety in entrusting the administration of India to the Company than to any other incorporated association. But there were other reasons of which the ministry might have taken cognisance. Its historic character, its prestige among the natives and its greater adaptability, in spite of the loose and

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ignorant charges of its unfitness, than any other body of Englishmen in England to direct the affairs of India. It would have been difficult for its detractors to have named another body of men who, in spite of the ignorant and narrow-minded amongst them, knew more of and cared more for the affairs of India, or had a greater stake in that country. Of this aspect of the matter then in dispute it is hardly now necessary to speak. One cannot, however, help wondering why the enormous and deeply rooted authority in India of "Kompani Bahadur" did not occupy a more prominent place in the written and spoken arguments of the Company's defenders in 1833.[1]

But after lodging these objections the leaders of the Company at length on 12th August came to the resolution that they could not do otherwise than recommend the proprietors to defer to the wishes expressed by both Houses of Parliament, and to consent to place their right to trade for their own profit in abeyance, in order that they might continue to exercise the government of India for the further term of twenty years, upon the conditions and under

[1] "Whatever might be thought of the unfitness of the East India Company, that of the supreme legislature had been most unequivocally exhibited in the course of the discussions upon the renewal of the Company's charter. It was not merely indifference with which the subject was treated in both Houses of Parliament; but feelings of impatience and disgust were unmistakably manifested upon almost every occasion in which the members were called upon to pronounce a decision essential to the well-being of the people of India, and to the most important interests, not of India alone, but in connection with India of the United Kingdom."—Professor Hayman Wilson's continuation of *Mill's British India*.

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the arrangements embodied in the bill. On the 16th August the proprietors met. "They cannot," ran the words of their resolution, "contemplate without apprehension and alarm the great and important change about to be introduced in the system which has been so long and so advantageously acted upon."

But having thus recorded their sentiments with regard to the bill, the generality desired "to assure His Majesty's Government and the country that they will to the utmost extent of the functions with which they are about to be invested, contribute to give effect to the bill when it shall become law, and promote, to the best of their ability, the happiness of India and the honour and prosperity of the East India Company".

It was resolved that the bill ought to be accepted, which had passed through the House of Commons on the 26th July, and read a third time in the House of Lords on the very day of the meeting of the General Court of Proprietors. On the 28th August it became law, the Royal assent being given to it by commission. We are told that the "rapidity with which it was carried through Parliament was thought as extraordinary as the change which it effected in the character of the Company was extensive". The commercial accounts which had opened with the purchase of the good ship *Susan* and her cargo of tin, broadcloth and kersies, in September, 1600, were now to be closed for ever.

But it was agreed that if at the expiration of twenty years, or at any subsequent period, the Com-

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pany should be deprived of the political government of India, the proprietors should have the option, at three years' notice, of being paid off at the rate of £100 for every £5 5s. of annuity, and that they should then be at liberty to apply that capital or any portion of it to the resumption of their right to trade, if they thought fit to do so.[1]

[1] Mill.

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CHAPTER XIV.

The Victorian Epilogue.

LEDGER and sword were now both abandoned. If we are to seek for a new symbol to express the function of the Company—no longer merchants of England trading to the East Indies—we should find it perhaps in the staff or keys of office. In the East India Company reposed the responsibility of the civil administration in India. It was the great overseer of the affairs of India; the great landlord, the great tax collector, acting through its deputy, the Governor-General, who was also—and chiefly—the deputy of the British nation, the King's Viceroy and Commander-in-Chief of the British army in India. Thus, year by year, the lineaments of "John Company" became more and more assimilated to those of John Bull.

Old India House ceased in 1833 to be a great mart for foreign trade, but for a quarter of a century further it continued to be the place where the stupendous machinery of the Indian Government was regulated.

The Court of Proprietors as well as their executive representatives had been continued in the enjoyment of their political power. Scarcely had the arrangement of 1833 been made, than the Board of Control, seeking still further to increase its own power at the

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expense of the Court of Directors, found out its error. The attempt was speedily foiled, and the Company showed its intention to hold firmly to the rights which remained to it by charter. All expenditure continued as before to originate with the Court of Directors, subject, save in details of the home establishment, to the control of the Board.

"If," wrote an Indian chronicler, "we sum up the amount of our literary and scientific obligations to the Company and the many able men employed in traversing the countries of the East in connection with the affairs of India, the total will be found exceedingly large."

The Company's bounty had never been, and was not now, strictly limited to its real or trading territories. We are given a new illustration of this in the case of Major-General Chesney's famous Euphrates expedition of 1836-37. The House of Commons had voted £20,000; it was found that this sum was insufficient, but they voted £8,000 more, and the Company then came forward, giving a similar sum. The total cost of the expedition was £29,637 10s. 3½d., after deducting £10,360 12s. 9d., the value of steamers, arms, ammunition, instruments and stores which were taken over by the Company.

In his declining years the Marquess Wellesley published his Indian despatches. The Company could now afford to view the former Governor-General's *régime* more indulgently, and at its expense the libraries of all the Presidencies were supplied with copies of the work. In an address to his lordship, which they voted in 1837, the directors said :—

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"To the eventful period of your lordship's government, the Court look back with feelings common to their countrymen; and, anxious that the minds of their servants should be enlarged by the instruction to be derived from the accumulated experience of eminent statesmen, they felt it a duty to diffuse widely the means of consulting a work unfolding the principles upon which the supremacy of Britain in India was successfully manifested and enlarged, under a combination of circumstances in the highest degree critical and difficult."

Only briefly can we refer to the events of the Company's career during the ensuing quarter of a century. How different it all was from Elizabeth's day! The movements towards expansion of British power in India were the work of the Governors-General; although done in the Company's name, they can hardly be claimed for the Company. Rajahs and Nawabs were deposed and their territories annexed; their stipends were reduced, and the natives everywhere still whispered of the might and majesty of Kompani Bahadur. But little by little the fiction was dropped by the military, and although civilians, with more reverence for the ancient Company, educated at its college at Haileybury—grateful, perhaps, for the patronage which had procured them employment—still clung loyally to the idea of a great and beneficent body apart from the Crown, yet Englishmen came less and less to speak of the Company and more and more to think of the British nation. Thus, when Sir Charles Napier, in 1843, captured Sind, he issued this pro-

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clamation: "Inhabitants of Sind. The Talpoors have been conquered by the *British nation* and are dethroned. Sind belongs to them no longer. All revenues, as they have hitherto been paid to the Amirs, are now to be paid to *the English*."[1] No mention here of the East India Company—the great and potent Kompani Bahadur!

Yet the anomaly was bound to obtrude itself; for although the Governor-General might really be stronger in India and be able to flout the four-and-twenty directors in England, the Company had still its legal prerogatives of sovereignty, just as a King of England has, under the Constitution, however long they lie dormant. Thus, in 1844, Lord Ellenborough, although immensely popular with the army in India, was very unpopular with the civil servants and took a high hand with the Company. The offended Company promptly recalled his lordship. It was by no means necessary to take the advice or have the consent of Crown or Parliament. Both Crown and Parliament might storm as they liked, but the Company's course was strictly constitutional, under its charter. Lord Brougham observed in the House of Lords that it was inconceivable how such an anomalous law should be allowed to continue in force; that it was incomprehensible how the Board of Control—part and parcel of the Imperial government—should have the power of controlling every other act of the Court of Directors in their administration of Indian affairs, and yet that the most

[1] *Bombay Government Gazette Extraordinary*, 5th April, 1843.

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important of all acts—that upon which the safety of our Indian Empire might depend—the continuance or the removal of the Governor-General, should be left solely to the Court of Directors.

Yet, so stood the Company's charter, and the recall remained legal and good. The displeasure of the Duke of Wellington—a friend of the Company, but first of all a soldier—the discontent of many at home, and of the entire army in India, were, however, moderated by the appointment of Sir Henry Hardinge, generally regarded as the most fitting person to fill the high station so suddenly vacated, and who subsequently justified the regard.

To pay dividends to the proprietors of Indian stock, it was imperatively necessary that the administration should be run smoothly and economically, and that there should be no wars or as few as possible. Governors-General who thought only of British military renown and the "honour of the British name"—meaning, of course, military honour—could not fail to clash with the Company. But the worst of it was that, with so much political dislocation and upheaval, peace had almost grown impossible in India. Hardinge would gladly have made peace his constant motto, but he had been only a few months at his post when he saw that he could no more carry out a purely pacific policy than his predecessors.

Not that the Company was craven enough to wish peace at any price. The Court of Directors, while lauding peace, had told the Governor-General that our dependents and allies must be protected;

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that the native states which still retained independence must be covered by the shield of British protection; that the supremacy of our power must be maintained by force of arms. Shame, impeachment, utter ruin would fall upon any Governor-General of India who failed to repel a hostile attack upon the territory of the Company. And so followed the Sikh war; and so followed all the wars up to the time of the Mutiny—and after.

While the British Governors-General of India were enlarging the sphere of British rule in India, the nominal possessions of the Company were being added to in quite another way. First, however, it had lost St. Helena. When its commercial monopoly expired it had been obliged to give up that famous island, which it had held since 1651, and where, by an arrangement with the British Government, the great Napoleon[1] had passed his last miserable years, to the Crown. At the same time it ransomed the 614 slaves on the island for £28,062.

By way of compensation, an engagement was, in 1845, concluded with the King of Denmark, by which, in consideration of a sum of twelve lakhs and 50,000 Company's rupees (£125,000), His Majesty ceded all the Danish possessions in India to the East India Company. Two years later the Sultan of Borneo ceded Labuan to the Company, the Sultan binding himself never to make any cession of territory to a foreign Power without previously consulting England.

[1] See Letter-book, July-September, 1815. There is very little correspondence relating to Napoleon. It was almost wholly conducted by the Secretary of State.

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On the 29th March, 1849, a treaty, ratified on the 5th April of that year, was concluded with the Maharajah Dhuleep Sing, the reputed son of Runjeet Sing, by which a pension of not less than four, or more than five, lakhs of rupees (£40,000 or £50,000) was assigned him for life for the support of himself and his family in return for the cession of the Koh-i-noor diamond, etc., and the whole of the Punjab in perpetuity. In 1849 Dhuleep Sing's personal allowance was £12,000, and in 1856 £15,000; in 1859, when he attained his majority, £25,000.[1]

In 1851 and 1852 a curious correspondence took place between the India House, the Board of Control and the Foreign Office, as to the expediency of cancelling the privilege possessed by the Portuguese at Surat under the firman of 1714. Lord Granville, however, was of opinion that it was useless to broach the subject, unless an equivalent were offered to the Portuguese Government.[2]

From this time onward, in spite of the Company's futile attempts to clutch at the skirts of parting power, the authority of the Board of Control

[1] In 1869, by letter dated 8th October, 1869, No. 1,252, the provision for his family after his death was raised to £15,000 a year. The Government of India, in India Foreign Letter, dated 20th May, 1870, objected to these augmentations of allowance having been made in England without consulting them on the subject.—Fidler and Crauford's *Memorandum*.

[2] The matter then remained in abeyance till 1872, when it was reopened by the Governments of Bombay and India, principally on the ground of the altered aspect of affairs caused by the opening of the Suez Canal, and the privilege was stopped pending discussion. The Foreign Office, in writing to the Portuguese Government, received an indignant protest from them.

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constantly increased, while that of the Court of Directors as constantly diminished. The debt of India was swollen, but there was as yet no compensation derived from the vast territorial acquisitions made by Lord Dalhousie. The Company in 1853 had become a mere shadow of its former self, lingering superfluous on the stage; but "owing to the inherent difficulties of abolishing it, it continued to subsist—indeed, it might have subsisted to this day if the Mutiny had not dispelled all the old ideas".[1]

It was in 1853 that the term of the charter, renewed in 1833 for twenty years, expired. That much-tinkered instrument was again renewed, but with a fresh difference. According to the new system, the number of directors chosen by the proprietors was reduced to twelve, in addition to whom six were appointed by the Crown, who must have resided at least ten years in India. The civil patronage of the Company was at the same time taken from it, and nominations to the Indian Civil Service thrown open to competition. The College of Fort William was at once abolished, and notice given for the abolition of the college at Haileybury. The local government of Bengal was also committed to the hands of a Lieutenant-Governor, and the Legislative Council separated from the Supreme Council, with advantage to both.

We now discern the lowering of the curtain on the long drama of the Company. The last act of

[1] *The Times*, 18th April, 1873.

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Lord Dalhousie's administration was to annex in 1856 Oudh to the British Empire in India, granting the Nawab £120,000 a year and an estate in the suburbs of Calcutta. Railways were being built, the people seemed contented and happy, commerce was on a sound footing.

In February, 1856, Lord Canning entered upon the government of India with fairer prospects than any Governor-General since the first conquest of that country. Then came the war with Persia, at close of which the British troops were recalled to India. When they arrived the upheaval which was to cause the sudden and ignominious retirement of the Company from India had already begun. There were many causes contributing to this upheaval. One alone would suffice: the spell was broken. For ages the natives had been overwhelmingly impressed with the greatness of "Kompani Bahadur," and their superstitious reverence lasted till now. Then all at once it passed away.

Every Englishman in India was aware that the Mohammedans of Upper India chafed at their loss of dignity and independence, "that their idle and sensual habits rendered them insolent and fractious". Further embittered was their discontent by the decision arrived at by the Company with regard to the titular dignity of the King of Delhi. The Court of Directors had authorised Lord Dalhousie, on the death of the heir-apparent in 1849, to "terminate the dynasty of Timour whenever the reigning king should die". But these instructions had been issued with great reluctance, and the Governor-General

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felt himself privileged to resort to a compromise. He agreed to recognise the King's grandson as heir-apparent, on condition that he quitted the fortress of Delhi for the royal palace at the Kootub. No choice remained to the royal family but to submit; but "the humiliation to which they were about to be subjected rankled in their bosoms". The Delhi Mohammedans at large were offended.

In the early part of the year 1857 a rumour sped among the native troops of the Bengal army that John Company's power was broken, that the English Government had measures on foot to overthrow Hinduism and to Christianise India. This, although not wholly believed, was yet sufficiently alarming to cause revolt and to arouse their suspicions. When cartridges were served out to them, some ingenious fakir declared that beef and pork fat were mixed with them, rendering them unclean and harmful both to Hindus and Mohammedans. This lit the torch. The outbreak at Berhampore occurred on the 26th February, 1857, and from then onward through many long months stalked a bloody procession of events, including the terrible massacre of Cawnpore, known to history as the great Indian Mutiny. With the details of that grim story we have here no concern. It marks the downfall of the Company as titular ruler, as land and fort owner, as actual administrator and overseer in India.

On the 18th February, 1858, a bill for the abolition of the East India Company was brought forward by Lord Palmerston, but before any pro-

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gress could be made, his lordship was defeated on the famous Conspiracy to Murder Bill, and resigned office.

On the 26th March, Mr. Disraeli, as Premier, brought forward a new bill. On its introduction it was strenuously opposed by Lord John (afterwards Earl) Russell, who held many serious objections and proposed the introduction of a series of resolutions in Committee of the whole House, on which a satisfactory measure could be founded. Mr. Disraeli agreed to this and undertook to prepare a series of resolutions transferring the Company's power to the Crown, which he did on the 30th April.

The nation expected the Company to speak. It looked for some feeble expression of protest on the part of the old and honourable corporation, which had survived a dozen English monarchs and fifty Parliaments. Surely the Court of Directors would raise their voice against their destroyers. It was right; the Company would not be silent. But few in the House were prepared for a petition so eloquent and so forcible. It evoked outspoken praise even on the part of the Company's bitterest enemies.

The ancient Company solemnly called the nation to witness that it had at its own expense and by the agency of its own civil and military servants originally acquired for Britain her magnificent Empire in the East. "The foundations of this Empire," it said, "were laid by your petitioners at that time neither aided nor controlled by Parliament, at the same period at which a succession of administrations under the control of Parliament were losing to

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the Crown of Great Britain another great Empire on the opposite side of the Atlantic.

"During that period of about a century which has since elapsed, the Indian possessions of this country have been governed and defended, from the resources of those possessions, without the smallest cost to the British Exchequer, which, to the best of your Petitioners' knowledge and belief, cannot be said of any other of the numerous foreign dependencies of the Crown."

The Company then went on to say that, "it being manifestly improper that the administration of any British possession should be independent of the general government of the Empire, Parliament provided in 1783, that a department of the Imperial Government should have full cognisance of, and power to control over, the acts of your petitioners in the administration of India; since which time the home branch of the Indian Government has been conducted by the joint counsels, and on the joint responsibility, of your petitioners and of a Minister of the Crown.

"That your Petitioners have not been informed of the reasons which have induced Her Majesty's Ministers, without any previous inquiry, to come to the resolution of putting an end to a system of administration, which Parliament after inquiry, deliberately confirmed and sanctioned less than five years ago, and which, in its modified form, has not been in operation quite four years, and cannot be considered to have undergone a sufficient trial during that short period.

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"That your Petitioners challenge the most searching investigation into the mutiny of the Bengal army, and the causes, whether remote or immediate, which produced that mutiny. They have instructed the Government of India to appoint a commission for conducting such an inquiry on the spot. And it is their most anxious wish that a similar inquiry may be instituted in this country by your (Lordships) Honourable House: in order that it may be ascertained whether anything either in the constitution of the Home Government of India, or in the conduct of those by whom it has been administered, has had any share in producing the mutiny, or has it in any way impeded the measures for its suppression; and whether the mutiny itself, or any circumstance connected with it, affords any evidence of the failure of the arrangements under which India is at present administered.

"The duty imposed upon the Court of Directors is to originate measures and frame drafts of instructions. Even had they been remiss in this duty, their remissness, however discreditable to themselves, could in no way absolve the responsibility of Her Majesty's Government, since the Minister for India possesses and has frequently exercised the power of requiring that the Court of Directors should take any subject into consideration, and prepare a draft despatch for his approval.

"That, under these circumstances, if the administration of India had been a failure, it would, your Petitioners submit, have been somewhat unreasonable to expect that a remedy would be found

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in annihilating the branch of the ruling authority which could not be the one principally in fault, and might be altogether blameless, in order to concentrate all powers in the branch which had necessarily the decisive share in every error, real or supposed. To believe that the administration of India would have been more free from error had it been conducted by a Minister of the Crown, without the aid of a Court of Directors, would be to believe that the Minister, with full powers to govern India as he pleased, has governed ill because he has had the assistance of experienced and responsible advisers.

"That if the character of the East India Company were alone concerned, your Petitioners might be willing to await the verdict of history. They are satisfied that posterity will do them justice. And they are confident that even now justice is done to them in the minds, not only of Her Majesty's Ministers, but of all who have any claim to be competent judges of the subject. But though your Petitioners could afford to wait for the reversal of the verdict of condemnation which will be believed throughout the world to have been passed on them and their government by the British nation, your Petitioners cannot look without the deepest uneasiness at the effect likely to be produced on the minds of the people of India. The measure, introduced simultaneously with the influx of an overwhelming British force, will be coincident with a general outcry, in itself most alarming to their fears, from most of the organs of opinion in this country as well as of English opinion in India, denouncing the past

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policy of the Government on the express ground that it has been too forbearing and too considerate towards the natives. The people of India will at first feel no certainty that the new Government, or the Government under a new name, which it is proposed to introduce, will hold itself bound by the pledges of its predecessors.

"That it would be vain to expect that a new Council could have as much moral influence and power of asserting its opinion with effect as the Court of Directors. A new body can no more succeed to the feelings and authority which their antiquity and their historical antecedents give to the East India Company, than a legislature under a new name, sitting in Westminster, would have the moral ascendency of the Houses of Lords and Commons. One of the most important elements of usefulness will thus be necessarily wanting in any newly constituted Indian Council as compared with the present."

Thus the Company was not to quit the stage without a protest couched in language glowing with the consciousness of its own illustrious past. It can subtract nothing from this petition as an expression of the opinions of directors and proprietors of the historic body, that it was, word for word, the language of a single one of its servants. With the voice of John Stuart Mill the East India Company spoke to the nation.

But no petition, however strong, could now be effectual. On the 10th of May the Court of Directors recorded a resolution expressive of their continued confidence in Lord Canning, On this same

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day was communicated to the Court Lord Ellenborough's famous *Secret despatch* dated 19th of April, 1858. On the following day Lord Ellenborough resigned office as President of the Board of Control, and was succeeded by Lord Stanley, the last to fill the office. He came in time, it was said, to conduct the obsequies.

On the 24th June the Government of India Bill, as it was called, was read a second time by Lord Stanley. On the following day the House went into Committee upon the bill, and on its third reading, on the 8th July, it passed the House of Commons.

The bill was read for the first time in the House of Lords on the 9th of July. The Earl of Derby, Lord Stanley's father, moved the second reading on the 15th. This was carried, and the bill passed on the 23rd of July.

On the 27th July the bill was sent back to the House of Commons for the consideration of the Lords' amendments. Colonel Sykes moved that the amendments be considered that day three months, which motion, however, he subsequently withdrew, and the amendments were generally adopted. The bill was finally assented to on the 30th July, and received Queen Victoria's sanction on the 2nd August, 1858. This Act, transferring the power from the hands of the East India Company to the Crown, took effect on the expiration of thirty days from the passing thereof, on 1st September, 1858. Two months later Queen Victoria was proclaimed throughout India, with Lord Canning for her first Viceroy.

This, then, would appear to be the very end of

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the drama. We are accustomed to hear from historians, from commentators, from the newspapers, that the Company was now abolished. But it was not so. The curtain had lowered—aye, but it had not wholly fallen. In the interval between the curtain and the stage, we still may glimpse, for the next decade and a half, in dim obscurity, the figures of the actors, moving perturbedly to and fro, like very ghosts upon the scene.

Since October, 1859, the East India Company, represented by a chairman, five directors, a secretary and a single clerk, continued to hold their Courts of Directors, General Courts of Proprietors, Bye-Law Committees, etc., first at No. 1 Moorgate Street, and later at No. 11 Pancras Lane. During nearly the whole of this ghostly period Colonel W. H. Sykes, M.P., served as chairman. On his death, 16th June, 1872, aged 83, Mr. John Harvey Astell was chosen to be his successor. The directors comprised Field-Marshal Sir George Pollock, Bart., G.C.S.I., K.C.B., Professor Ousely, and Messrs. W. H. C. Plowden, Eric Smith, William Dent and Lestock Reid. Mr. Clifford Crauford was secretary up to his death, 7th December, 1870, after which Major W. H. Sykes, a son of the chairman, assumed the shadowy office. The sum of £800 per annum was set apart by the Secretary of State for the Company's expenses—the blind, decrepit Samson, who had disbursed millions upon millions in England, crores upon crores in India. The salary of the chairman was £150 a year, the other directors received £100 each and the secretary £120. Thus

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was the Company to go out of the world with precisely the modesty, frugality and homeliness of its early meetings at Governor Smythe's house in Philpot Lane two and a half centuries and more ago, when the hearts of the merchant adventurers beat so high with hope—a hope destined to a fulfilment so much more romantic and marvellous than they could at that time foresee.

Old India House was pulled down in 1862 and all the archives transferred to Whitehall, even to that first ledger with the quaint entry: "The names of suche persons as have written with there owne hands to venter in the pretended voiage to the East Indias (the whiche it maie please the Lorde to prosper) and the somes that they will adventure; the xxij September, 1599".

By an Act passed in 1873, entitled "The East India Stock Dividend Redemption Act," regulations were laid down for the redemption or commutation of the dividend on the capital stock of the East India Company; for the transfer by the commissioners for the reduction of the National Debt of the Security Fund of the Company at the Bank of England to the Secretary of State for India in Council; and for the dissolution of the Company. On the 30th April, 1874, in compliance with the provisions of Act 3 and 4 William III., sec. 12, cap. 85, all proprietors who were not disposed to commute their India stock for any stocks, funds, or securities the Secretary of State had power to dispose of, received, as the surrender value of their stock, £200 sterling for every £100 stock they held

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in full acquittal of all claims. The applications for commutation were far in excess of what the Secretary of State could comply with. All stock on which the dividends had been unclaimed for the last ten years were assigned, with the lapsed dividend, to the Secretary of State in Council, and all unclaimed dividends for a less period were paid by the Company into an account opened at the Bank of England styled the East India Stock Dividend Account; if claimed within ten years from the time the last dividend was paid, they were to be made over, after compliance with certain restrictions, to the legal claimant, if not, they would, in common with other unclaimed dividends, be retained by the Secretary of State, and would form part of the revenues of India. Upon, or as soon as conveniently after, the 30th April, 1874, all books and documents relating to the Company's stock were made over to the Secretary of State in Council. On the 1st June, 1874, the Secretary of State having then complied with all the provisions of the Act, the powers of the East India Company ceased, and the Company was dissolved. This bill was brought before the House of Commons by Mr. M. E. Grant-Duff, Under-Secretary of State for India. The Company presented a petition against it, but it passed the third reading in the House of Commons, and on the 22nd April, 1873, was agreed to by the Lords.[1]

We have finished. Our narrative has been

[1] *Memorandum on the East India Company*, Fidler and Craufurd, 1875.

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brought at last to a close. As it appears in these pages, to the best of our ability and belief, such was the Company of Merchant Adventurers of England trading to the East Indies, such were its beginnings, its struggles against enemies abroad and at home, its triumphs as well as its failures. The mighty power it wielded contrasts strangely with its ignoble end.

All the old historians and essayists dealing with British India totally misread the character of the early history of the Company. The war of 1744 was indeed the commencement of a new era, because India then became the scene of an international contest, because of the popular interest at home in Indian affairs. Yet it had been the one and had evoked the other before in the Company's time. The truth is, the Company's long, patient rule of a century and a half is ignored by these annalists. Men like Day, Aungier, Oxenden, Charnock, Master, Child, Pitt, Gayer, Saunders and the rest are dismissed as "unobserved factors and agents of a trading company, whose obscurity left them without an incentive to virtue or a dread of shame".[1] Did Clive and Coote inaugurate efficiency?

"It is a mistake to suppose," Macaulay told Parliament in 1833, "that the Company was a merely commercial body till the middle of the last century. Commerce was its object; but in order to enable it to pursue that object, it had been like the other Indian Companies which were its rivals, like the Dutch India Company, like the French India Com-

[1] Sir J. Malcolm, *Political History of India*, p. 34.

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pany, invested from a very early period with political functions. More than 120 years ago it was in miniature precisely what it now is. It was entrusted with the very highest prerogatives of sovereignty; it had its forts and its white captains and its black sepoys; it had its civil and criminal tribunals; it was authorised to proclaim martial law; it sent ambassadors to the native Governments and concluded treaties with them; it was Zemindar of several districts, and within these districts, like other Zemindars of the first class, it exercised the powers of a sovereign, even to the infliction of capital punishment on the Hindus within its jurisdiction. It is incorrect, therefore, to say that the Company was at first a mere trader, and has since become a sovereign. It was at first a great trader and a petty prince. Its political functions at first attracted little notice, because they were merely auxiliary to its commercial functions. Soon, however, they became more and more important. The Zemindar became a great Nabob, became sovereign of all India; the 200 sepoys became 200,000."

Sir John Malcolm said that the early history of the Company in its dealings with India proved the "urgent necessity . . . for the strict and constant interference of the legislature of the country to check excesses by which the national character of England was so exposed to injury". How unjust this is when applied generally to the Company's rule prior to 1744, let those who have followed our narrative judge for themselves. He goes on to observe that "the Company, or rather the individuals of the

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direction by whom the corporation was governed, were in a great degree dead, as . . . to those feelings which urge the mind to good and great actions. They, in fact, recognised no motive, but a desire to enrich themselves, their relatives and dependents. Their strength as a community, which was the natural consequence of this system, increased with their means of corruption and oppression; and such was the venality of the times, that it appears that hardly any, however high their station, escaped the contamination."[1]

Such a charge as this could have much more fittingly been brought against the British Government or any other body of men whatsoever. It was certainly true of Walpole; it had been true of Marlborough; it was true of most of the Courts of Europe. Let any one recall the venality or the inefficiency of the ministries of James I., of the two Charles's, of James, and even of Anne and the first George, and then examine impartially the tenour of the Company's despatches for a century and a half, the minutes of the Court of Directors from whom these despatches proceeded, the Company's administrative ability, its concern for the natives, the care it took of its dependents, and then calmly agree that it was a corporation "dead to those feelings which urge the mind to good and great actions," recognising "no motive but a desire to enrich themselves," he must indeed have a marked faculty for misinterpretation.

[1] Sketch of the *Political History of India*, p. 35.

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Again, according to a recent writer on India,[1] the Company was early in the nineteenth century time "criminally ignorant of the real condition of India. . . . They preferred to remain merchants, dwelling on sufferance on the coasts of the Arabian Sea and the Bay of Bengal, to building up a vast Empire by expensive military operations." What a singular misconception of the situation! It is like saying that the worthy Mr. Whiteley criminally prefers to remain a merchant in Westbourne Grove and conduct his business in an orthodox and honourable manner, to the glory of colonising the Canadian North-West whence he receives his flour, or to redeeming the West Indies whence he procures his sugar! And so, for preferring to remain merchants, cry the historians, "the Company stands condemned at the bar of history".

"In early times," writes one eighteenth century annalist, attacking the Company, "their circumscribed commerce had confined the management of their affairs to mean and unskilful hands. Their directors at home were no more than low and rapacious tradesmen; and their servants abroad were chiefly drawn from hospitals, appointed by charity for rearing indigent and deserted boys."[2] Should thus be characterised all those brave and stalwart spirits who served the Company in the seventeenth century, whose deeds have been recounted in this book? But, pursues our authority, even when matters grew less disgraceful and persons of "a better education

[1] E. C. Cox, *A Short History of the Bombay Presidency*, 1887.

[2] *The History and Management of the East India Company*, 1779.

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and more enlarged minds" figured in the Company's service at home and abroad, "even these were not able to resist that sordid principle of avarice which is inherent in every mercantile institution, to which the almost equally obdurate passion of ambition was annexed, when they acquired a control over princes and the management of provinces and kingdoms".

Again, "these are men," wrote Sir Robert Harland to Lord North in 1773, "who are now become governors and viceroys of kingdoms larger, if we take our possessions from Surat to Bengal, than made half the Roman Empire; and these are the men who by the rapid and immense riches they acquire, from amongst the lowest of the people, who are to be expected to look government in the face, with that assurance that has taught them to think, that money may decide anything. Nor will they easily submit to part with power, however they come by it, they have so long been allowed to exercise: and that has brought them such an immoderate degree of wealth, without violent opposition to everything and every man, employed to prevent it."

But history will yet do justice to the Company. We have quoted these as samples of slander, as illustrations of injustice. The perusal of its annals by an unbiassed posterity will dispel all the false notions created by the Company's contemporaries of its character and its rule. It had the faults of all great corporations; but from the very first it had also sturdy virtues of its own. In any case, as a recent writer remarks, "the once firmly rooted conviction that our real history in India began about

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1746 is dying hard". Did not the Company charge its servants as far back as 1687 to "establish such a Politie of civill and military power, and create and secure such a large Revenue as may bee the foundation of a large well-grounded, sure English Dominion in India for all time to come"?

"I have," once said the great Burke, "known merchants with the sentiments and abilities of great statesmen; and I have seen persons in the rank of statesmen with the conceptions and characters of pedlars."

In Sir Alfred Lyall's opinion all history displays no better record of good government than was shown by the Company's period of administration of nearly a century, from 1773 to 1857. "The East India Company has left its mark on the world."[1] Surely never existed any government, based solely upon conquest, which ruled "so ably, so humanely and yet so firmly for an equal space of time".

"Now when it passes away," was written on the eve of the Company's death, "with the solemnities of Parliamentary sepulture, out of the land of the living, it is just as well, as becoming, to record that it accomplished a work such as in the whole history of the human race no other trading company ever attempted and such as none surely is likely to attempt in the years to come."[2]

[1] Speech at dinner of old Haileyburians, 20th May, 1890.
[2] *The Times*, 18th April, 1873.

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CHAPTER XV.

The Muse in Leadenhall Street.

I may wander
From east to occident, cry out for service,
Try many, all good, serve truly, never
Find such another master.

Cymbeline, IV., scene 2.

THANKS to the researches of many pious chroniclers, eager to let nothing escape which might illustrate the phenomenon of English conquest, we are to-day conversant not only with the smallest official acts and military achievements of the Presidents, agents, captains and factors in the East, but with their correspondence from the earliest times. We know that these merchant adventurers, each "half bagman, half buccaneer," who deftly handled the pen as well as the cash and the cutlass, were masters of the quaint epistolary style of their century, often lit with a sententious humour. Mr. Noel Sainsbury, indeed, in his *Calendar of State Papers* relating to the East Indies, has culled from the earliest epistles a garland of epigrams of which not the greatest of Jacobean phrasemongers need be ashamed.

But of the doings, sayings and writings of John Company's servants at home, during its first two centuries of existence, how little is known! For them the opportunities for distinction out of official

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hours were indeed limited—narrowed down perhaps solely to letters. Withal what practice they had, these writers who were, officially speaking, not Writers at all! One need not hesitate to say that many of them —whose names we can scarce even guess—would in that sphere easily have made their mark. For what incisiveness, what clarity, what mother-wit mark hundreds of the despatches emanating from Leadenhall Street to the East we only know who have handled and read them.

The official letter-writers must always have been men of education and talent, even at those periods when the Company's correspondence was dominated by some unusually capable member of the Committee of Correspondence. Yet their identity is most uncertain; only in two instances may we safely attribute the authorship of any considerable part of the Company's despatches to two members of the Committee, Sir Josiah Child (1630-1699) and Laurence Sulivan (1716-1786), of whom the former alone was distinguished as a writer outside the pale of India House. All the home servants continue obscure until, about the middle of the eighteenth century, the unmistakable literary talents of John Hoole became noised about town.

In one of Dr. Johnson's letters to Warren Hastings we learn that "Mr. Hoole, a gentleman long known and long esteemed at the India House, after having translated *Tasso*, has undertaken *Ariosto*. How well he is qualified for his undertaking he has already shown. It is a new thing," adds the sage, "for a clerk of the India House to

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translate poets; it is new for a governor of Bengal to patronise learning."

When this letter was written Hoole had been over thirty years in the Company's service. He was born in 1727, the son of a watchmaker and machinist to Covent Garden theatre. An early predilection for the stage—he once succeeded in playing the Ghost in *Hamlet*—was nipped in the bud by a friend's procuring him a junior clerkship in Leadenhall Street, in the accountant's office. The young man spent his days in checking up the profits of the factories at Bombay, Madras and Calcutta, and passed his nights in mastering French and Latin, Greek and Italian, the latter with a view to reading the fascinating *Ariosto* in the original. His income as a clerk being very small, Hoole set about increasing it by translating documents relating to the French operations in India during the Seven Years' War, and so earned the commendation of the Company's chairman, Laurence Sulivan. He had, at the same time, formed the friendship of Robert Oldmixon, the Company's auditor (and the son of a well-known author), by whom he was encouraged in his outside literary pursuits. Side by side with his Italian tragedy of *Cyrus*, he penned in 1772 *The State of East Indian Affairs* for the Company, the latter of which, although a purely official work, attracted more attention from the public than the former. When Hoole succeeded Oldmixon as principal auditor at India House, he was greatly celebrated in literary circles as a poet and playwright, enjoying the particular favour and friendship of Dr.

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Johnson. He was the author of many of the Company's ablest despatches. He resigned his post in 1785 and died eighteen years later.

Contemporary with Hoole at India House was James Cobb, also a dramatist. Cobb, who was born in 1756, entered the secretary's office in 1771 and eight years later produced his first dramatic piece, "The Female Captain," which was acted at the Haymarket. This was followed by numerous plays, notably "The Humourist" (1785), which was produced by Sheridan at Drury Lane, through the influence of Edmund Burke. Altogether Cobb wrote twenty-four pieces before his death in 1818. Some of the most important despatches of John Company are ascribed to his pen.

Seven years after Hoole's resignation, a certain Blue-coat boy, Charles Lamb by name, humbly petitioned the East India Company for a junior clerkship. The Court Minutes record that on 5th April, 1792, Charles Lamb, then in his seventeenth year, was appointed a clerk in the accountant's office on the usual terms, *i.e.*, a gratuity, not a salary, of £40 a year. With the lapse of a few years, we find this same "Charles Lamb of the India House" becoming famous as a poet and essayist, on intimate terms with the leading wits of the day. But despite his unmatched literary flights out of office hours, the real works of Elia, as he himself has said, were on the shelves in Leadenhall Street "filling some hundred folios". Thirty-three years saw him at his desk there, labouring for the Company, yet—never a Company's man was Lamb.

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Commerce and politics went against his grain. Once in an extravagant outburst he wrote:—

"Confusion blast all mercantile transactions, all traffic, exchange of commodities, intercourse between nations, all the consequent civilisation and wealth and amity and links of society and getting rid of prejudices and getting a knowledge of the face of the globe, and rotting the very firs of the forest that look so romantic alive and die into desks. *Vale!*"

Nor was Lamb very serious in office hours. One of his fellow-clerks, a Mr. Ogilvy, thus wrote long after Lamb's death:—

"When I first entered India House and was ntroduced to him he seized my hand and exclaimed with an air, 'O, Lord Oglesby! Welcome, Lord Oglesby. Glad to see you. Proud of the honour.' And he never called me anything else and that got to be my name among the clerks and is yet, when I meet any of the few that are left." Indeed "jokes and jests, great and small, were his constant pastime and every one around him came in for a share". "His popularity with his fellow clerks was unbounded. He allowed the same familiarity that he practised, and they all called him 'Charley'."

When the hundredth folio of his "real works" was completed, Lamb began to think seriously of retiring from the service of the Company, or, as he put it, from the firm of Boldero, Merryweather, Bosanquet and Lacy, after the chairman and the leading directors. In that delightful piece, *The Superannuated Man*, he describes the interview with

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the Court of Directors which resulted in his retirement, on the most generous terms:—

"On the evening of the 12th of April, just as I was about quitting my desk to go home (it might be about eight o'clock) I received an awful summons to attend the presence of the whole assembled firm in the formidable back parlour. I thought now my time was surely come. I have done for myself. I am going to be told they have no longer occasion for me. Lacey, I could see, smiled at the terror I was in, which was a little relief to me—when to my utter astonishment Bosanquet, the oldest partner, began a formal harangue to me on the length of my services, my very meritorious conduct during the whole of the time (the deuce, thought I, how did he find that out? I protest I never had the confidence to think as much.) He went on to descant on the expediency of retiring at a certain time of life (how my heart panted!) and asking me a few questions as to the amount of my own property, of which I have a little, ended with a proposal to which his three partners nodded a grave assent, that I should accept from the house, which I had served so well, a pension for life, to the amount of two-thirds of my accustomed salary—a magnificent offer."

"Stammering out a bow," Lamb "went home forever," overwhelmed with gratitude for "the kindness of the most munificent firm in the world". For the Company had not only promised him a handsome pension, but also to continue it to his sister after his death. That unfortunate lady survived him nearly fourteen years. Lamb himself, "the most loveable

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of all our English authors," survived his retirement ten years, dying in 1834.

"There is," says Sir George Birdwood,[1] "a strong memory of Charles Lamb among the descendants of his contemporaries at the India House, some of whom are still in active service of the Secretary of State. The father of one of the latter officials received from Lamb the present of a copy of a volume of *Tables of Interest*, inscribed on the fly-leaf in the donor's handwriting: 'In this book, unlike most others, the further you progress, the more the interest increases'. There is in the Office also, a speaking full-length profile portrait of Lamb, 'scratched on copper by his friend [and fellow-clerk] Brook Pulham'. . . . This etching bears the date of 1825. Lamb's beer mug was for many years most affectionately preserved at the 'Old India House,' and when some time ago I thought that I had recovered it, the interest excited in quite unexpected quarters was most gratifying. Lamb seems indeed to have endeared himself to every one about him at the India House: with such tenderness, and so widely, is his name regarded at the India Office."

While Lamb was still at India House he used to occasionally encounter at the portals, in the corridors or on the stairs, an austere looking gentleman, some dozen years his junior, who had recently entered the office. His name was James Mill, not yet very famous, although he had already written and published a monumental history of India. Mill,

[1] *Journal of India Art*, July, 1890.

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hampered by a growing family, had set out in the year 1806 to live by literature. He had begun by planning the history, which he thought to complete in three years, in addition to other work. His calculations utterly failed, and Mill was doomed for twelve years to struggle on with a wretched pittance from his writings of £150 a year. It may be mentioned that during the process Mill was by no means a friend of the East India Company. More than once did he let fly his inky shafts at the great power which had won and. then governed India for England. At a time when Manchester and Liverpool were pelting the Company for its alleged shortcomings and misdemeanours, Mill joined in the attack, contributing to the *Edinburgh Review* for April, 1810, a slashing onslaught, for which he afterwards sufficiently expressed contrition. In this article he refuted all the pretences for granting the Company any trade monopoly; he reviewed in minute detail all the "vices" of its government. Mill, by the bye, had ready to hand a remedy of his own for gubernatorial mismanagement; he threw it out as a hint, not as a prophecy. "Instead of sending out a Governor-General to be recalled in a few years, why should we not constitute one of our royal family Emperor of Hindustan, with hereditary succession?"

The famous history had barely seen the light in 1818, when certain of Mill's friends among the directors at India House resolved that such a man, with his talent for work and his knowledge of Indian matters and historic Indian policy, should have a post in the Company's service. "Accept of any-

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thing, however small, in the first instance," they advised; "if once in, we shall be able to push you on." In a few months, after "great exertions" by Hume and Ricardo, Mill was appointed an assistant examiner of India correspondence at a salary of £800 per annum, Edward Strachey being his immediate superior. Mill's work was to draft all the despatches of the revenue department. When he took up his duties he found the correspondence many months in arrear. Fortunately for Mill, the working hours in Leadenhall Street were confined to from ten to four, otherwise his zeal might have led him to adopt his private system in the Company's service. We are told that when at work on his history he had not unfrequently toiled till midnight, rising the following morning at four to begin anew. In eleven years Mill became Examiner with a salary of £1,900 a year.

It was at this time that the great conflict between Parliament and the Company came on, the Company struggling not merely for its privileges, but for its very existence. On one side was ranged the Duke of Wellington, Earl Grey, Macaulay, Charles Grant and the body of the nation; on the other were a couple of dozen semi-inarticulate directors, representing a few hundreds of inarticulate proprietors, and two or three able civil servants. Chief of these was James Mill. For the time being Mill was almost in himself the Company. Between 1831 and 1834 he was repeatedly examined by Parliamentary Committees through numerous weary sittings. His replies to questions concerning the Company's revenue

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might easily have furnished forth an admirable State paper. Whatever he had been in his more youthful days, it is clear that Mill was now a Company's man—that he saw Indian policy with the Company's eyes from the Company's standpoint. "Petitions sent from India," he remarked, "do not represent the general language of the country." He found himself indicted upon the old charge of not knowing India, a charge repeatedly brought against his master, the Company, since its foundation. "I am far from pretending," he replied quietly, "to a perfect knowledge of the people of India." Yet his knowledge was founded upon the history of many centuries, and was far more likely to prove effective than that of the most observant functionary who had spent three-quarters of his lifetime on the banks of the Ganges. All the lengthy correspondence which virtually shaped the bill of 1834 fell to him. This was the eighth crisis in the Company's history of 234 years, and Mill conducted its defence with an ability at least equal to Sir Josiah Child's in its third ordeal in 1690. Little wonder that one of the leading directors characterised the Company's letters to the Government as "distinguished for their ability, for their clearness, their candour and truth, their conciliatory tone and spirit and statesmanlike views, as well as for their successful refutation of that specious and imposing, but unsatisfactory reasoning, which characterises the letters of"—— the Government! It is really not at all strange that Mill, "whose views on trade were of the most advanced school," should yet be moving heaven and earth to overcome the

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JAMES MILL.

From a Drawing.

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designs of the free traders. He could still claim to be consistent. His verbal evidence clearly shows his reasons. "The mercantile interest could not see in the light of an official, the very stagnant condition of the native population in India, and profess to believe that, but for the obstruction of the Company's government, there would be a great and sudden development of industry—exports and imports—to the benefit of the home producer." Such members of the mercantile interest were destined soon to be disabused.

It is worth recalling that Mill strongly advised the appointment of Macaulay, his old enemy, to the one membership of the Supreme Council at Calcutta not held by a Company's servant, as provided for by the Act of 1834. It was no light task to overcome the opposition of many of the directors, but Mill, convinced of the young statesman's fitness, finally succeeded.

Mill died in harness at last. Letters from the Governor-General, Macaulay and Cameron lay on his desk. As he passed away at his house in Kensington, his great pupil, Grote, was delivering his speech in Westminster on the Ballot, the result of which Mill had hoped to hear. His interests were diffuse and diverse. Amongst his literary remains was a scrap of paper which sheds an effulgent light upon his life work :—

MEMORANDUM.

I have spoken to the Chairman respecting Major Elwood's case. He will make up his mind next week.

Fletcher and I have gone carefully through the last revenue draft (Madras) and made a few immaterial alterations. When

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Mr. M'Culloch has seen it, I purpose giving it to the Chairman. The other Madras draft will probably go to the Committee on Wednesday next.

There are no fresh arrivals in Revenue Department. Lord Hastings is in Paris. Buckingham has been sent home.

J. M.

On the other side of the slip appears a closely written dissertation, entitled *Reasons to show that the Christian religion was not intended to guide or influence the actions or happiness of this life; that its sole object is the future life.*

Such was the intellectual transition from John Company's servant to philosopher and theologian when the hands of the great clock at India House pointed to the hour of four!

How strange it is to reflect that not merely James Mill's post and functions, but his very rôle of Company's defender against Government should come to be filled by his still more celebrated son, John Stuart Mill! The father had been only four years in the Company's service when a junior clerkship was procured in the same office for the son, then but eighteen years of age. Young as he was John Mill was already a prodigy of learning and of intellectual capacity. Able as his fellow-clerks were, they were mere pigmies to him; he passed over their heads rapidly. In 1823 we find his salary (or gratuity) to have been but £30 a year. Seven years later he stood fifth in the Examiner's Office, and in 1836, the year of his father's death, further promotion brought his salary to £1,200 a year, with only Thomas

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Love Peacock and David Hill between him and the Examinership.

"I have a vivid recollection," writes Mr. Bain, his friend and literary executor, "of the great front, the pillared portal of the Company's dingy, capacious and venerable building in Leadenhall Street." He recalls the line of passages leading to Mill's room from which he never had any occasion to deviate. "On entering we passed the porter in his official uniform, including cocked hat, and walked straight forward by a long passage . . . then up two pair of very unpretentious flights of stairs. At the landing was a door bearing at the top lintel the inscription 'Examiner's Office'. We entered a little room occupied by the messengers, where they could make tea for the officials (Mill had his breakfast provided in this way on arriving at ten o'clock, tea, bread and butter and a boiled egg). . . . There was an outside green baize door, always lashed back to the wall, reminding us that the officials were servants of the Secret Committee and might have to hold very confidential interviews. The room itself was very spacious—about thirty feet long and about eighteen wide; it was lighted by three large windows. From the fire at one end to the book press at the other, the whole length was free from furniture and was Mill's promenade with papers in his hand. While reading he was generally always on foot. At the angle between the fire and the nearest window, in a recess, was his standing desk, and near it his office table, which was covered with papers and provided with drawers, but was not used according to his

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intention; he wrote at the tall desk, either standing or sitting on a high stool. The chair for visitors was next the blank wall, beside a large table, on which the India despatches used to lie in high piles."

Mill's friend gave a vivid picture of his appearance on their first meeting at India House. Mill was standing by his desk with his face turned to the door.

"His tall, slim figure, the youthful face and bald head, fair hair and ruddy complexion, and the twitching of his eyebrow when he spoke, first arrested the attention; then the vivacity of his manner, his thin voice, approaching to sharpness, his comely features and sweet expression would have all remained in my memory though I had never seen him again."

In 1856 Mill became Examiner at £2,000 a year, and all the despatches emanating from Leadenhall Street to India or to the Board of Control fell to his charge. In the year following this promotion he was called upon by the Company, in its ninth and last crisis, to draft that celebrated petition to Parliament against extinction, which Earl Grey pronounced to be "the ablest State paper he had ever read". But in vain all Mill's arguments and all his eloquence—the Company's charter was revoked and its powers assumed by the British Crown. Mill was offered a seat in the new India Council, but he preferred to go out with the old Company, and declined the offer. He left India House with regret, telling his friend Grote that "but for the Company's dissolution he would have continued in the service until he was

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sixty". He chose to retire on a handsome pension from all official labour, which, however, he enjoyed but a few years. Mill, the younger, has every claim to be considered among the very greatest of the Company's servants.

Sir George Birdwood remarks, however: "James Mill, and his gifted son John Stuart Mill, would appear to have moved no enduring sympathies among their contemporary associates. The son, even when in conversation with others, would seem to have been pre-occupied with his own thoughts, all the time moving restlessly to and fro, 'like a hyena,' as described to me. When particularly inspired, before sitting down to his desk, he used not only to strip himself of his coat and waistcoat but of his trousers: and so set to work, alternately striding up and down the room, and writing at great speed. He wrote an unformed, awkward, sprawling hand, which gave great trouble in copying to the clerks, who used despitefully to say he could not spell correctly. This is not true, and when what he had written had been fairly copied, it was found to be faultlessly expressed. Still they literally detested copying his manuscript, and appear to have even disliked him personally for its illegibility: for a clerk who worked under him, and who still lives, looking one day utterly miserable and distracted at his desk, and being asked if he was ill, replied angrily: 'Oh, no! it's only that I'm trying to unriddle some more of that d——d old fool's —— ——'. And this was the clerical estimate of the author of the *Logic* and the *Political Economy*;

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those who were led to it by their circumscribed although intimate observation little witting of the almost femininely feeling heart that lay oppressed and despairing, like a giant in armour too tight for him, in the coils of the deadly Stoical doctrines imposed on the younger Mill, with such little discrimination, by his self-willed and strenuously pedantic father."

Mill's official superior for a long term of years was neither a metaphysician, a logician nor a political economist. Thomas Love Peacock was a poet and romancer, and not less famous for his intimacy with Shelley. He owed his connection with the Company to his friend and patron, Peter Auber, for nearly forty years in the Company's service, and who retired as its secretary. Auber himself was the author of *The Rise and Progress of British Power in India* and other works. He recognised the advantages of a clear and brilliant style in the conduct of the Company's correspondence, and admiring the gifts of the author of *Palmyra*, induced him to petition for employment in 1819. Peacock's ability was signally shown in the drafting of many official papers. In 1829, greatly struck with the advantages of steam navigation, he drew up a valuable memorandum for General Chesney's Euphrates expedition, which earned the praise of both Chesney and Lord Ellenborough. Peacock's appearances before Parliamentary Committees were frequent, and upon him fell the burden, in 1834, of resisting the claim of James Silk Buckingham for compensation for his expulsion

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from the East Indies; and again, two years later, he defeated the attack of the Liverpool merchants and Cheshire manufacturers upon the Indian salt monopoly. Indeed, it was remarked at the time that if the Company had clever writers enough they could successfully put down all opposition to their interests, and a hint was thrown out that the directors would do well to secure the services of Messrs. Hood, Lemon, Boz, Thackeray, Jerrold and Leigh Hunt, and so render themselves invulnerable at all points!

Peacock's character and figure might almost have stood for the Company itself incarnate. A little obstinate and pugnacious towards modern innovation he certainly was, but he was genial and generous, too; and, as Dr. Garnett has observed, "the vigour of his mind is abundantly proved by his successful transaction of the uncongenial commercial and financial business of the East India Company; and his novels, their quaint prejudices apart, are almost as remarkable for their good sense as for their wit".[1]

Another once famous follower of the Muse in Leadenhall Street was Moffat James Horne, author of the *Adventures of Naufragus.* This most entertaining work was written in the first quarter of the last century, and well deserves popularity for its very

[1] "Thomas Love Peacock is remembered only by the educated of his surviving contemporaries, and by them not so much as an author of genius as a teller of 'good stories'. Wherever he went he kept his auditors in roars of laughter, and he was an immense favourite with all the directors."—Birdwood.

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graphic descriptions of Eastern life and scenery. Horne obtained a clerkship at East India House soon after Charles Lamb's retirement, or that humorous observer of men and manners would not fail to have been vastly impressed by the spectacle of Horne's lady, who was wont to wait for her lord in Leadenhall Street of a summer afternoon; a beautiful half-caste whom he had met, wooed and wedded during his romantic tour through the Eastern seas.

THE END.

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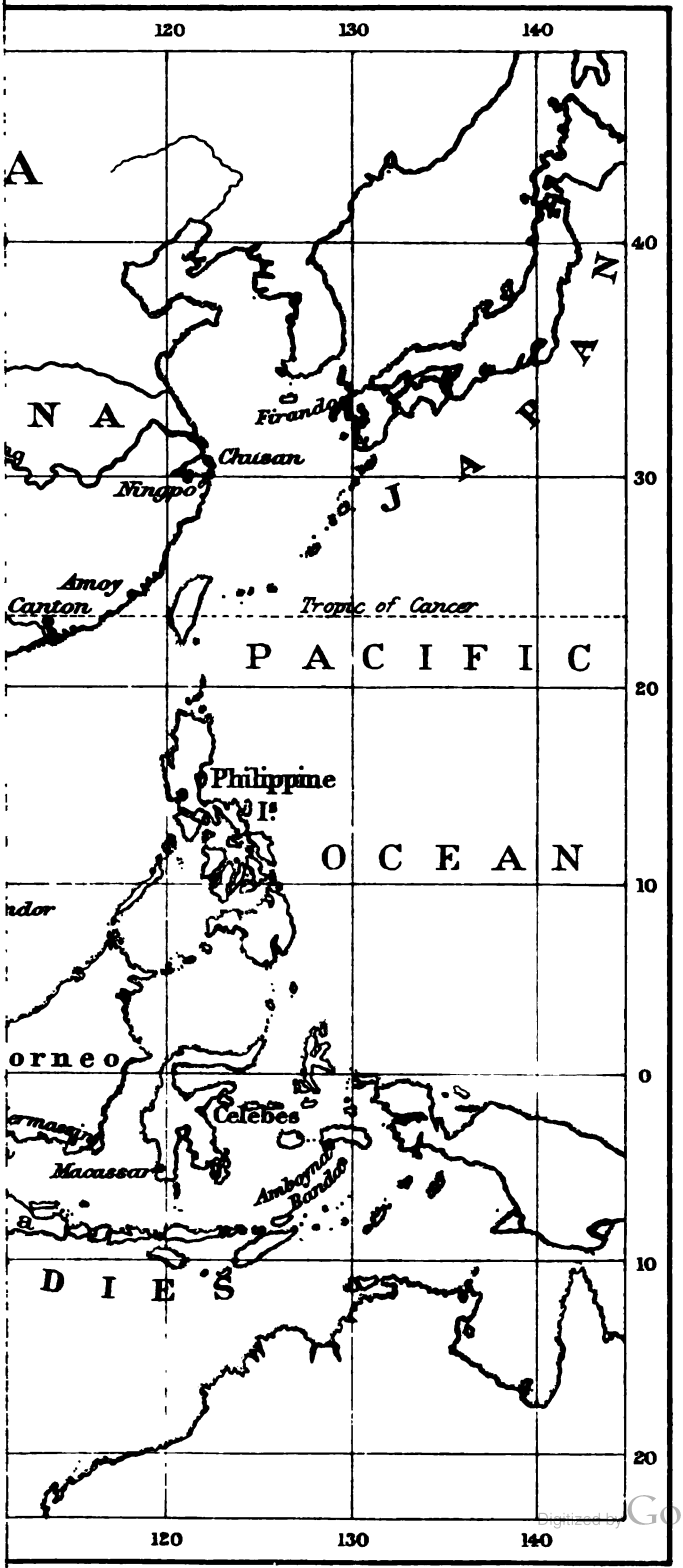

The London Geographical Institute

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APPENDIX.

The following interesting authenticated document, bearing the signatures of the Company's general accomptant and his deputy, not merely furnishes a useful illustration of the award of 1708, but is also interesting as a contemporary financial statement of debit and credit:—

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THE GOVERNOR AND COMPANY OF MERCHANTS THEIR ACCOUNT

Dr.

	£	s.	d.
"To money at int[t] owing to sundry on the Comp[y's] seal - - - - -	£1,035,448	9	3
"To 6 months' int[t] thereon due this day -	31,063	9	1
"To int[t] for several bonds y[t] may have 12 or 18 [mos] due - - - - - - -	3,000	0	0
"To int[t] on bonds owing more than the 70 per cent. will pay, from this date to the 1st March next - - - - - -	6,425	16	7
"To Almshouse at Poplar, owing to them -	2,700	0	0
"To customs and to freight, and to several persons for goods sold in private trade -	9,728	10	9
"To customs and freight due to the United Company - - - - - - -	16,312	5	3
"To money owing several for int[t] on their stock, not demanded - - - -	6,918	18	5
"To a moiety of Factors' sallarys payable here and money p[d] into the Comp[ny's] cash in India, to be repaid here - -	25,000	0	0
"To charges from this day to the 25th March	10,000	0	0
"To balance of the Indian accompt as by the Lord Treasurer's award - - -	96,615	4	9
"To difference on £28,000 stock in contra, with the present market price 85 per cent. - - - - - - - -	6,429	3	5
"To difference on the £1,100 10s. in contra	165	10	0
	"£1,249,807	7	6

"LONDON, 29th September, 1708.

(Signed) "SAM. WATERS, Acco[t] Generall.

"J. FLETCHER, Deputy."

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OF LONDON TRADING TO THE EAST INDIES.
CURRENT.

Cr.

"By 70 per cent. on £988,5000, due frm United Compny - - - - -	£691,950	0	0
"By intt thereon, due this day - - -	20,758	10	0
"By six months' intt on the fund, due at Christmas - - - - - - -	39,540	0	0
"By the 8 and 12 quarterly payment on £315,000 subscribed to the fund - -	12,600	0	0
"By a moiety of 5 per cent. pd by ye Separate Traders to ye United Company - -	8,328	15	8
"By disbursements for ye United Company -	17,000	0	0
"By £28,000 stock in the names of Charles Du Bois and T. W. in trust, and intt thereon to the 1st March next - -	30,229	3	5
"By £1,100 10s. in the name of Robt Blackborn in trust - - - - - -	1,100	10	0
"By goods remaining in the warehouses -	1,000	0	0
"By good debts in England - - - -	3,000	0	0
"By cash remaining this day - - - -	24,504	19	4
	"£850,011	18	5
"By Ballance - - - - -	399,795	9	1
	"£1,249,807	7	6

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